THE SPHERE OF POLITICAL ECONOMY
AND THE RULING CLASS

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Abstract: The article argues that political economy is the sphere and theory through which the dominant class becomes the ruling class and when the ruling class position is acquired, it loses its function and is replaced by economics by leaving it to socialists and Marxists among others. It also suggests that the totality of capitalist socialist relations can be understood through a cubic model of representation that clarifies the borders and territories of economy, political economy and political ideology in the main, an argument grounded upon two recent books by the writer.

Key words: ruling class; dominant class; political economy; political ideology; structuralist Marxist theory

Problem

Within Marxist theory, the concepts of ruling class and dominant class are not exclusively used and this is closely related with the fact that political and economic conceptions of dominant class relations are not meticulously differentiated. The problem is also a result of the complications created by the use of the old architectural metaphor “base-superstructure” through which development of class power from economy to politics is seen either as the seizure and thus of use of state power as an instrument of class oppression (the instrumentalist theory of state and politics), or, as a structural correspondence between economic and political relations of the main class relations (the structuralist Marxist theory of the state, or of the relative autonomy of the state and politics).¹ As for Marx of 1848 Revolutions and after, the position of state fits the former approach and for Marx of the Paris Commune...
of 1871 and after, the latter is preferred by suggesting that the state is peculiar to the old dominant class and thus should be first seized, and then destroyed so as to create a new one for the new dominant class. The real problem here is how both the relation between economy and politics and between the sphere and theory of political economy is conceived, as well as how economic power turns into political power. The relation between economy and politics corresponds to the relation between the economically dominant class and its political domination. The purpose of this article is, upon the grounds of both structuralist and instrumentalist conceptions as two non-exclusive approaches adopted by Marx himself, to justify and model that political economy is the science of how dominant class becomes the politically ruling class, by showing first that “class domination” is different from “class rule” although the latter contains and encircles the former and, second, that economy (and economics) is different from political economy (as sphere and science) although the latter contains and encircles the former.

Dominant Class before the Ruling Class

In dictionary terms, domination refers to a superior position in a relation but not necessarily to a ruling position. Yet the latter necessarily requires a domination which also means ruling and vice versa. However, “ruling” corresponds to governing, administering, controlling, planning as well as monitoring processes. In Marxian and Marxist theory, the concepts “dominant class” and “ruling class” are synonymously used though it is recognized that they are not the same. The problem is related, for my purpose here, with the borders, contents and spheres of economy, politics and, more significantly, of political economy. For Marxism, the capitalist class is conceived and formulated as both a social class and an economic class, but not as a political class even if the state under capitalism is the capitalist state as the organ or instrument of the capitalist ruling class. That capitalists are dominant in capitalist relations cannot be repeated for the context of the state, which is ruled, managed and administered mainly by a body of politicians, bureaucrats and numerous types of public servants. Therefore, to attribute to the capitalists the character of ruling class can refer only to the fact that their economic domination acquires a ruling function, in other words, that capitalists become the state (to use Gramsci’s words), or that their class domination also includes class rule.

Actually, not all confusions about but also indifference towards the nuances between the concepts “dominant class” and “ruling class” as two interrelated but different concepts start with Marx (and Engels). We need a long quotation from them:
The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas; hence of the relationships which make the one class the ruling one, therefore, the ideas of its dominance. The individuals composing the ruling class possess among other things consciousness, and therefore think. Insofar, therefore, as they rule as a class... they do this in its whole range, hence among other things rule also as thinkers, as producers of ideas, and regulate the production and distribution of the ideas of their age:... The division of labour,..., manifests itself also in the ruling class as the division of mental and material labour, so that inside this class one part appears as the thinkers of the class (its active, conceptive ideologists,...), while the others' attitude to these ideas and illusions is more passive and receptive, because they are in reality the active members of this class.... Within this class... cleavage can even develop into a certain opposition and hostility between the two parts, which, however, in the case of a practical collision, in which the class itself is endangered, automatically comes to nothing, in which case there also vanishes the semblance that the ruling ideas were not the ideas of the ruling class and had a power distinct from the power of this class.

... victory, therefore, benefits also many individuals of the other classes which are not winning a dominant position, but only insofar as it now puts these individuals in a position to raise themselves into the ruling class.... Every new class,..., achieves its hegemony only on a broader basis than that of the class ruling previously,...2

This long quotation from *The German Ideology* shows that the ruling class is not composed only of capitalists but has an internal division of labor regarding active, material based and passive, intellectual based membership. The ruling class can be divided from within once the ruling ideas are no longer the same as the ideas of the ruling class. More importantly, the ruling class position is required to be a class and is acquired through hegemonic formation of non-ruling class interests. The power of class is also differentiated from the ruling power that needs to be combined by the ruling ideas. What is meant by this power of class that can be divided from the ruling ideas is clearly the active members of the ruling class, that is, the capitalists.

However, in *MIA: Encyclopedia of Marxism: Glossary of Terms*, the problem continues to the extent that all divisions between dominance and ruling disappear:

No social class is homogeneous, and the ruling class in any epoch must be especially heterogeneous and the balance of forces and interest between sections of the dominant class are always shifting under the impact of changes in the social division of labour.... There is always going on a struggle of social interests in which the state and the various branches of government are arenas of struggle. In most of the developed capitalist
countries, the political parties reflect the outlook and interests of different strata of the ruling, bourgeois class.³

However, it is seen that becoming a class requires the organization of that class, and through revolution it becomes the ruling class:

If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organise itself as a class; if, by means of a revolution, it makes itself the ruling class, and, as such, sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms and of classes generally, and will thereby have abolished its own supremacy as a class.⁴

Marx states in the case of Thomas Munzer’s movement that a party may be compelled to seize political power even if the class it represents has not yet become dominant:

The worst thing that can befall a leader of an extreme party is to be compelled to take over a government in an epoch when the movement is not yet ripe for the domination of the class which he represents and for the realisation of the measures which that domination would imply….⁵

Here, the term “ruling political caste” is introduced as being different from the “ruling class.” This justifies my argument here that ruling class is a broader group than the dominant class by covering in addition the rulers (political-bureaucratic and intellectual) in the political economic sphere:

A political revolution is the forcible overthrow of the ruling political caste by a mass movement which does not aim to overthrow the underlying relations of production or smash the state.⁶

The theory of proletarian revolution states that with and through a revolutionary takeover of the bourgeois state, the proletariat, the oppressed, and the organization of their vanguard becomes “the ruling class.” Therefore, without political and state power, it is impossible to become “the ruling class”:

What, then, is the relation of this dictatorship to democracy?

We have seen that the Communist Manifesto simply places side by side the two concepts: “to raise the proletariat to the position of the ruling class” and “to win the battle of democracy.”
The dictatorship of the proletariat, i.e., the organization of the vanguard of the oppressed as the ruling class for the purpose of suppressing the oppressors, cannot result merely in an expansion of democracy.7

Lenin clearly states that the state is an organ of political, class rule, and of class oppression:

According to Marx, the state is an organ of class rule, an organ for the oppression of one class by another; it is the creation of “order,” which legalizes and perpetuates this oppression by moderating the conflict between classes.
That the state is an organ of the rule of a definite...
...the apparatus of state power which was created by the ruling class...8

Lenin here first divides the state from the “most powerful, economically dominant class” and then combines them: economic dominance is the base of the class rule and through the medium of the state, the “economically dominant class” “becomes also the politically dominant class,” which provides additional tools of exploitation:

Because the state arose from the need to hold class antagonisms in check, but because it arose, at the same time, in the midst of the conflict of these classes, it is, as a rule, the state of the most powerful, economically dominant class, which, through the medium of the state, becomes also the politically dominant class, and thus acquires new means of holding down and exploiting the oppressed class....9

Following Engels, Lenin clearly differentiated economic power and officials (rulers) and refers to their alliance and connections:

In a democratic republic, Engels continues, “wealth exercises its power indirectly, but all the more surely,” first, by means of the “direct corruption of officials” (America); secondly, by means of an “alliance of the government and the Stock Exchange” (France and America).10

Despite various indifferences shown by Marx and Lenin to the special and different territories of the ruling and domination relations, they accept the differences between economic class domination and political rule, in other words, dominance through economy and rule through politics. These are most clearly recognized and formulated by recent scholarship; for example, Robinson and Harris, in their “Towards a Global Ruling Class? Globalization and the
Transnational Capitalist Class” formulate the relations and divisions above upon the ground of Antonio Gramsci’s conceptions:

...a transnational capitalist class (hence-forth, TCC) has emerged, and that this TCC is a global ruling class. It is a ruling class because it controls the levers of an emergent trans-national state apparatus and of global decision making. This TCC is in the process of constructing a new global capitalist historic bloc: a new hegemonic bloc consisting of various economic and political forces that have become the dominant sector of the ruling class throughout the world....

This historic bloc is composed of the transnational corporations and financial institutions, the elites that manage the supranational economic planning agencies, major forces in the dominant political parties, media conglomerates, and technocratic elites and state managers in both North and South.

The economically dominant class is not necessarily the ruling class; that it is (or is not) is something that must be demonstrated. Here we proceed in order of determination from economic dominance to political rule. We draw out our earlier proposition that a transnational capitalist class as a class fraction of the world bourgeoisie has emerged, and that this TCC is in the process of achieving its rule or becoming a global ruling class.

We should recall that a dominant class exercises its rule through political institutions whose higher personnel must represent the class, unifying so far as possible its actions and reinforcing its control over the process of social reproduction, which in this case means ensuring the reproduction of global capitalist relations of production and at the same time the reproduction (or transformation) of political and cultural institutions favorable to its rule.

The bloc also includes the cadre, bureaucratic managers and technicians who administer the agencies of the TNS, such as the IMF, the World Bank, and the WTO, the states of the North and the South, and other transnational forums. And membership in the hegemonic bloc also includes the politicians and charismatic figures, along with selected organic intellectuals, who provide ideological legitimacy and technical solutions.... It is in this way that we can speak of a historic bloc in the Gramscian sense as a ruling coalition....

Similarly, Althusserians like John Milios below are rather sensitive towards the divisions with which we are concerned. Economic power and political power are first functionally differentiated and then structurally articulated within “the entire capitalist class domination”:

the capitalist class possesses not only the economic, but also the political power not because the capitalists occupy the highest political offices of the state, but because the structure of the political element in capitalist societies, and more especially of
the capitalist state (its hierarchical-bureaucratic organization, its "classless" function on the basis of the rule of law, etc.) corresponds to and insures the preservation and reproduction of the entire capitalist class domination.\(^\text{12}\)

In addition, Milios refers to the different subjects and identities of the economic and political spheres; wage-owner, ruler and free citizen:

In order for the laborer to be transformed into a wage-earner, the "ruler" must give way to the modern constitutional state and the ruler’s "subjects" must be transformed, on the judicial-political level, into free citizens...\(^\text{13}\)

It is also a well-known fact that under capitalism, unlike pre-capitalist societies, economic and political functions are separated:

In pre-capitalist modes of production, by contrast, the ownership of the means of production by the ruling class was never complete. The ruling class had under its property the means of production, i.e., it acquired the surplus product, but the working/ruled classes still maintained the "real appropriation" (Poulantzas 1973, p. 26) of the means of production—the power to put them into operation. This fact is connected to significant corresponding characteristics in the structure of the political and ideological social levels as well. Economic exploitation, which is the extraction of the surplus product from the worker, had as its complementary element direct political coercion: the relations of political dependence between the dominant and the dominated, and their ideological (as rule, religious) articulation.\(^\text{14}\)

However, despite the recognition of the fact that separation develops functionally, as a result of division labor, within a structured whole (with the help of the mode of production concept), confusion re-appears in the case of economy, political economy and sociology among other social sciences:

Summarizing, we may say that Marxist theory conceives classes—on the basis of the theory's cardinal concept, the mode of production—as complex practices on all social levels. This means that Marxism approaches society as a structured whole, and that in doing so it removes the demarcation lines between political economy and sociology. Marxist theory thus constitutes by definition a “friendly merger” between these two disciplines of social sciences, rejecting the inherent economics of classical political economy, which gave only a limited attention to non-economic social structures and to their influence on economic processes.\(^\text{15}\)
It is argued that Marxism does not recognize the division line between political economy and sociology and rejects economism inherent in the classical political economy. Althusserian Milios contradicts even the Althusserian idea which suggests three levels within a social formation as economic, political and ideological (we can add the fourth theoretical level). Confusion lies in the fact that spheres or levels of a social whole and the related scientific theories which study them have not been crystallized even within Marxist theory. This is the subject matter of the last part of this article, which tries to develop a theoretical model.

Economics and Political Economy

Milios following Althusserian concepts divides social power into economic, political and ideological areas and clearly refers to “non-members of the ruling class,” which are the “new petty-bourgeoisie class” and thus we can clearly understand that the ruling class differs from the dominant class in the economy:

In capitalist societies, a part of the functional exercising of social (economic, political, ideological) power is entrusted to non-members of the ruling class. Thus the “new petty-bourgeoisie class” emerges.16

The ruling class clearly consists of capitalists, political-bureaucratic agents and ideology producers in the main:

The mode of production as the main aspect of social-class relations (their causal structural nucleus) always refers to class positions and functions, independently from the agents that perform these functions. Thus, two types of class functions are discerned, and consequently two classes: the functions of the ruling class (acquisition of surplus value, exercising political power through the state, organization of ideological power through the ideological apparatuses of the state), and those of the ruled class (production of value and surplus value, reproduction of the material—economic, political, ideological—conditions of wage-relations).17

However, one part of the ruling class (which is stated also as “the dominant capitalist class (of capital)” which fulfills political and ideological functions is “often subjected to direct capitalist exploitation.” The ruling class often exploits even a part within it. This part, as a part of the ruling class, rules, but, is often exploited. This seems a paradox from the perspective of Milios’ own theoretical position. However, it unwillingly demonstrates a fact that the dominated class also produces its own political domination by giving a part of it to the ruling positions and by making them petty-bourgeoisies. The petty-bourgeoisie rules by
being exploited. What Milios means must be low level, salary-earner (not wage earner) public servants.

Now we see confusion between economy and politics, wage and salary, productive and unproductive labor, income and surplus value as well as between surplus value and tax:

In specific capitalist societies, one part of the function of the dominant capitalist class (of capital) is given over to agents (individuals) who are not part of the ruling class, and who are, in fact, often subjected to direct capitalist exploitation. This includes the following: functions that insure the extraction of surplus value, such as the supervision-overseeing-control of the production process (technicians, engineers, etc.); functions that insure the cohesion of capitalist political power (state bureaucracy, the judicial apparatus, the military, etc.); functions for the systematization and dissemination of the ruling ideology, such as education.

The product that emerges from the staffing of the apparatuses and processes of the exercising of capitalist power (within the existing social formations) with elements that are not part of the ruling class is, then, the new petty-bourgeoisie class.

“The new petty-bourgeoisie” as such are wage-earners but not a part of the working class and while it exercises capitalist power, it is not a part of the capitalist class as long as it is not the owner of the means of production:

That is, these are categories of wage-earners which are not part of the working class, precisely because of their position in the web of functions involved in the exercise of capitalist (economic, political, ideological) power. In a parallel way, these elements are not part of the capitalist class, to the extent that they are not owners of the means of production (capitalists).

It is a class without being class, often directly exploited and may be a part of the capitalist class. Despite some merits of such an approach we have stated above, it suffers from the absence of a clear-cut division between economic and political-bureaucratic, i.e. the state itself, spheres, as well as the division between the instrumentality of the state and economic exploitation, which never exists directly for politically elected or bureaucratically appointed individuals. The industrial companies owned by the state cannot be a subject of class exploitation as their surplus is appropriated by the state, or so to say, public itself. Unproductive labor of the political and bureaucratic agents just supports the extraction of the surpluses produced by capitalist economy.

Although economic and political spheres or levels are meaningful only as parts within the capitalist social whole for Marxist theory, bourgeois political
economy had to evolve into economics as the bourgeois ideologues no longer needed a political struggle due to the increasingly economic domination of the capitalist class. When such an evolution took place, on the socialist front, French socialist political economy, and then Marx’s critiques of the bourgeois political economy began to dominate the studies of political economy and rendered the political economy of the Enlightenment era and then Ricardo inappropriate for the production of the ruling ideas of the ruling class in economic-political affairs. This rendering signed the necessary development of “economics” as a science (as well as political studies and public administration as sciences in the same period) instead of the old bourgeois or newly socialist “political economy.”

Alfred Marshall’s (1842–1924) *Principles of Economics*, first published in 1890, is the most revealing of watersheds in the evolution of economic theory marking the passage from classical political economy to neoclassical economics. There is little doubt that Marshall was determined to establish analytical principles for the professionalization and application of economic theory, especially in the context of market society.20

With Marshall21 among others, economics introduced its concepts and analytical tools such as marginal utility, consumer and producer surpluses, efficiency, demand and supply relations, consumers and producers, factors or agents of production and their related incomes, and removed all notions of political economy such as the labor theory of value, surplus value, classes, economic and political liberalism, completely ignoring the theory of exploitation and capital accumulation and the theoretical and historical proofs about the crises-prone characteristics of capitalism as developed by Marx. Marshall’s *Principles of Economics* made prices, utilities and market dynamics the subject matters of economics.

Similarly, Walras “made his intentions clear by adding the adjective ‘pure’ in the very title of his book, *Elements of Pure Economics*. For Walras, economics can become a pure science by shifting attention away from the processes of growth and distribution to the process of exchange and the determination of prices—another basic transformation brought about by the marginal revolution. ‘Pure economics is, in essence, the theory of the determination of prices…’”22

Economics in the narrow sense (or “economics proper” or economic theory or “pure” economics) deals with “pure” economic phenomena or economic mechanisms, such as the market mechanism.23 Similarly again, Weber suggested for economic theory that:

“It assumes dominance of pure economic interests and precludes the operation of political or other non-economic considerations.”

*So homo economicus* reigns supreme in Weber’s economic world as yet another ideal-type, and becomes the *raison d’être* of economic theorising.24
However, for Marxist theory:

The theoretical object of Political Economy is not (and cannot be) "the economy in general," but that specific notion which is considered to build the specific difference of (capitalist) economic relations. In this sense, the object of analysis is also a theoretical tool for the interpretation of all Karl Marx and the Classics further aspects of economic reality.25

Marx’s contribution to classical political economists implied:

Power no longer constitutes the "right of the sovereign," or the "power of the state" in relation to (equal and free) citizens, but a specific form of class domination. Power is always class power, the power of one class,...of the ruling class, over the other, the dominated classes of society.26

And that power of the capitalist class is manifested beyond the economic sphere in the other parts of social relations:

...the capitalist class possesses not only the economic, but also the political power; not because the capitalists man the highest political offices of the state, but because the structure of the political element in capitalist societies, and more especially of the capitalist state (its hierarchical—bureaucratic organization, its "classless" function on the basis of the rule of Law etc.) corresponds to and insures the preservation and reproduction of the entire capitalist class domination.27

In sum, there is an economic sphere under capitalism, which is only indirectly related to and integrated with the political sphere and the other ones and this fact is ironically justified by the bourgeois “scientific” attempts to produce a distinctive and specific study field as “economics” with and after Alfred Marshall’s Principles of Economics proclaimed. It is capitalism itself which creates such a division between the spheres of economy and politics and thus between their scientific studies:

In capitalism, unlike other social systems, production and the allocation of labor and resources are generally separated off from the arena of “politics” and displaced to a separate "non-political" sphere of "economics". This uniquely capitalist separation arises from within the capitalist mode of production where surplus value is extracted from the direct producers by the "apolitical" mechanisms of “the free market” rather than by political force or other non-economic means. This contrasts with pre-capitalist modes where surplus was extracted from generally "unfree" producers by political
or “non-economic” methods—by military force, whether wielded by individual slave-owners, feudal lords, or tribute-taking centralized administrations, or, less militarily, through religious obligation or other traditional ideological processes. Thus political issues of domination and exploitation, which in non-capitalist modes of production were clearly bound up with political power, are in capitalism at least partially de-politicized and transformed into distinctively “economic” issues—perhaps “the most effective defense mechanism available to capital”, as Wood remarks.28

It is surely the case that capitalist economy does not contain only private capitalist processes as public economic enterprises are also included in it. However, the difference between private and public is related to the fact that politics requires a public sphere and collectivity:

The “economic” sphere is not necessarily “private”, but it is separated off from the public sphere of “politics”, and its internal politics are different in that democracy is excluded from the realm of production whether private- or state-owned.

Politics operates but in different ways in the “private” sphere of “economics” and the market as well as in the “public” sphere of “politics” and the state.

…“the differentiation of the economic and the political in capitalism is, more precisely, a differentiation of political functions themselves and their separate allocation to the private economic sphere and the public sphere of the state”.29

From now on, I can introduce the basics of a model which develops and crystallizes the discussion and definitions stated in order to explain the relations between economy (and economics), political economy (as sphere and scientific study area) and politics and ideology (as sphere and the scientific study area).

New Model and Conceptualization

Political economy is a sphere of economic social relations and their analysis as a science. It developed first as the science of the rising bourgeoisie or capitalists as the British preferred to call them. Its central thesis, from John Locke to David Ricardo, is the labor theory of value put against the feudal rents and then the protectionist policies of the mercantile period which saw precious metals as the real source of wealth. Labor power was seen as the real source of wealth, that is, value, and clearly with Marx, capital was conceived as the accumulated value created and appropriated respectively by labor power and capitalists. This science, before Marx, divided production from distribution of value and did not see the real source of value and hence, the exploitation relations behind them. All these are well known from classical political economists to their main critics, that is,
Marx. After him, political economy turned into a sort of anti-political economy as the base of the critique of the bourgeois economic, social, political and ideological relations and structures.

However, in Marx’s anti-political economy there is a unity of production and distribution, explanation of exploitation relations, crisis-prone characteristics of capitalist economy and its temporality and its historical change towards a socialist system. After Marx, we also do not see the trinity of capital as the trinity of the factors of production, land, labor and capital, but as the factions of classes and their properties. Moreover, we see capital and its components and metamorphoses as processes and stages, as the parts of the whole processes of capital formation and each “factor” of production as a relation as well.

Nevertheless, we see political economy as the foundation, “the base,” upon which all capital processes and relations develop, hence, economic and social relations between classes and class factions. In his Preface to *A Contribution to the Critique of Political Economy*, Marx, following Hegel’s conception, reduced political economy to the sphere of the “totality of the material conditions of life” whose anatomy is nothing but the civil society of the eighteenth century philosophers.

Neither legal relations nor political forms could be comprehended whether by themselves or on the basis of a so-called general development of the human mind, but that on the contrary they originate in the material conditions of life, the totality of which Hegel, following the example of English and French thinkers of the eighteenth century, embraces within the term “civil society”; that the anatomy of this civil society, however, has to be sought in political economy.30

The reduction as such suggests that the material conditions of bourgeois civil society, which were the generic dynamic of the legal relations and political forms, were the subject matter of political economy. However, it should be noted that the subject matter was seen to be the material conditions of the civil society rather than the sociological analysis of it. Therefore, what was meant was the economics of bourgeois civil society with and through which law and politics, among other forms, could be comprehended. Despite this, in both common practice and the teachings of both bourgeois and Marxist political economy, what is considered is nothing but the mutual impacts of economy and politics, their mutual penetration, and the relation between state and economy. For us here, the significant definition is that Marx reduced political economy to the sphere and the study area of the economy and economics of bourgeois relations and that he divided them from political and legal relations and forms. Such a division cannot be seen only for methodological purposes but is also based on the divisions between “generic” and
“generated,” and “original” and “originated” within the totality of social relations. Let me recall that such divisions would be reformulated as “base-superstructure” mainly after Marx or after Althusser, as the levels of social formation “economy,” “politics” and “ideology.” However, the result is not different from suggesting only that to the architectural metaphor of “the base-superstructure” is inserted a new floor and the two-floored building changed into a three-floored one. The drawback of this model underlies not only its theory of relative autonomy of state, politics and ideology as opposed to instrumentalist theory, but the cognitive, mental map and representation of the relations between economy and political economy, dominant class and ruling class as well as of the borders and territories of the economic, political and ideological relations, which does not allow us to see the specific position of political economy for capitalist class.

First in Stream of Connections Through Power, Time, Space and Value and then in A Theory of Capitalist Society and Social Dialectics, I tried to build a model for the whole of capitalist social relations with its economic, political and ideological spheres in a cubic perspective. Economy as the outer circle-sphere contains the other circles-spheres of politics and ideology. According to the model, the pure economic sphere (or toroid) is followed by the political economic one, which is contained by the political sphere. Politics contains political ideology, which is the core and center of all social relations. Therefore, the political sphere splits into political economy and political ideology and does not contain any pure political sphere unlike the economic sphere, which always has a pure economic territory outside of politics and ideology. This is a fact which develops as a result of the transition from the feudal mode of production, which is based on the unity of economic, political and ideological coercion, to the capitalist mode of production, which divides economy from politics only as two social divisions of labor in the form of capitalists and politicians-administrators. Also added are intellectuals-ideologues as a new division. Borders, and then spheres, of all main social relations (as crystallized under capitalism) can be drawn as shown in Figure 1 and Figure 2, respectively.

In the pure economic sphere, there emerges the economic power of the capitalists, that is capitalists as the dominant class, and their class domination over working class. It is the area of social relations where capitalist relations develop through market. It is the area of the purely economic domination of the capitalists and capitalists are the only dominant class.

However, such domination has to be completed by the rule of the bureaucratic-political community. Such a completion creates the political sphere and forms the demarcation line between economy and politics. In addition, with the existence of the ruling bureaucratic-political community, the dominant class also becomes the ruling class, which includes both the capitalists and the bureaucratic-political
Figure 1

Figure 2
community. The sphere of political economy is the area where the dominant class is extended and elevated into the ruling class. The problem is the formation of ruling class above and beyond the dominant class position.

In this study, I differentiate ruling and dominant class as well as pure economic sphere and political economic sphere. The ruling class refers to the combination and collaboration of the capitalists and the bureaucratic-political community, in other words, the unity of rulers and capitalists. Capitalists dominate and exploit directly in the pure economic sphere but cannot and do not rule. Exactly for this reason, a ruling segment is needed and added and involved in the sphere of domination. Capitalists dominate and exploit through capitalist relations, while rulers rule through government and administration processes. In the former, capitalists need “management” functions rather than “ruling,” which requires a political relation.

In the pure economic sphere, there is no need for political-bureaucratic rule as capitalist relations already force all individuals to take part in those relations to survive (i.e. workers have to sell their labor power to survive as capitalists have to accumulate capital to survive). However, capitalists and workers are also citizens, the members of the state they live in and hence the relations between them cannot be only a capitalist relation, but have to be a matter of ruling-ruled relations. It is clear that the dominant class of the pure economic sphere cannot realize this function and therefore needs, creates and supports the segment of political-bureaucratic functionaries. Here, the dominant class also becomes the ruling class and the pure economic sphere involves political economy as a sphere within itself. Political economy emerges as a sphere as the dominant class becomes the ruling class as well.

The theoretical status of the pure economic sphere is the economics of capitalist relations and processes while the sphere of political economy is where and how capitalists become the state. In class terms, the capitalist class adds to itself a political-bureaucratic petty-bourgeoisie (which also adds to itself an intellectual-professional-ideological segment within the sphere of political ideology).

As is seen in the words political economy, “political” is not only an adjective of “economy,” but also an addition implying that economics is not political economy or something which comes before politics. This addition also implies that there is a pure economic sphere although there is no pure political one (in addition, as my model says that there is no pure ideological sphere, but only a political ideology exists). Pure economy and then pure economics, as we stated above, is the result of the bourgeoisie who already acquired ruling class position and did not need any more “political economy” of the previous period in which it had been still only in the dominant class position through “economy” as understood in the form of “political economy.” Acquiring the ruling position, bourgeois
political economy necessarily turned into “economics” by putting social, political and historical considerations aside. Without the full development of the “pure economic sphere,” Alfred Marshall, for example, was not likely to need to write *Principles of Economics*, among other titles. The bourgeoisie became “the ruling class” only when industrial capital was consolidated after the 1840s in Britain. For the bourgeoisie, political economy remained only as a sphere, but not as a science of its rising period before the industrial revolution of the 1830s onwards. It was left to the Marxists in the main to analyze how economic dominance develops into political rule.

Economy as the outer circle of social relations can change the borders of political economy and then political ideology which is located in the political circle. As all liberal arguments suggest, the pure economic sphere is not only a necessity, but also and more importantly, a burden for the economy and therefore should be narrowed and limited. The burden is caused by the fact that the rise and extension of the dominant class to the ruling class needs a considerable amount of surplus to be transferred in the form of tax to the commands of rulers, and hence has to include many non-capitalist elements in the dominant class relations. This occurs especially because of the tendency of the petty-bourgeoisie to absorb anti-systemic attitudes and ideas and to act autonomously. Moreover, the political-bureaucratic petty-bourgeoisie, as it is an intermediate class faction between the capitalists and workers, are expected to be capitalist or rulers over capitalists.

The sphere of political economy is therefore a relation between the capitalists and the rulers, between the functions of domination and ruling, a tension between the pure economy of the dominant class and the requirements of ruling process. While capitalists confront workers as a matter of business, employment and accumulation, the rulers confront them as citizens and voters as the holders of political and civil rights, freedoms and responsibilities.

Once the sphere of political economy is defined as such, the so-called politics can have only two spheres: political economy (second toroid in the schema above) and political ideology (as the inner part above). Although economy can have a pure sphere particular to itself (first toroid above), political and ideological spheres cannot. This means that political-bureaucratic and intellectual petty-bourgeoisies emerge, develop and survive only as a part of the process of the rising and extension of the dominant class into the ruling class. As my schema implies, that political ideology is also contained by political economy, which is contained by the pure economic sphere.

The sphere of political economy is obviously the sphere of the state, government and administration, which are financed mainly by a share of total value produced. Its tax base is the pure economic sphere. However, here we should note that, although taxes are seen as being collected from all capitalists, wage and salary
earners and property owners above all, Marx’s anti-political economy shows that tax is extracted directly or indirectly from the working class, and hence it is a part of surplus labor, which is produced by the worker. This is simply because a tax on surplus value (on profit, rent or interest) just leads into price inflation regarding the commodities which are subject to profit, rent and interest. This shows that the sphere of political economy and the rulers are financed by the working class rather than the capitalists as the dominant class within the pure economic sphere. My definition has a logical result of arguing that the state itself is actually the state of the working class rather than the state of the capitalists. The working class finances its own rulers over itself. As Marx says that the working class produces its domination through labor process, we can add that it also produces its political-bureaucratic rulers against itself.

Finally, as a response in advance to the possible criticisms against my model as a new sort of reductionism, I should put emphasis on the encirclement and containment of all social relations by the economic sphere rather than the determination of all political and ideological relations by it. My model points to the capitalist and class relations, the position of the bureaucratic-political petty-bourgeoisie (as well as intellectual ones) and the tax base of state, government and administration and the phenomena that capitalists dominate through the formation of capitalist relations but cannot not rule and therefore they become the state through the formation of the ruling community. On the side of politics, I do not reduce it to economy. Rather, I argue that politics as ruler-ruled relations complete the domination of capital over workers simply because the workers are also citizens. In the pure economic sphere, the counterpart of the capitalists is the workers while in the sphere of political economy, workers as citizens confront rulers rather than capitalists. Nevertheless, the absolute majority of the citizens are actually workers, working for the capitalists. Just as Marx points to the metamorphoses of capital and capitalists, we can point to the fact that the workers also go through many metamorphoses and become citizens through the formation of the political economic sphere (and political ideological sphere as well). While the dominant class rises to a level of the ruling class and becomes the state, the workers should be turned into citizens and ruled politically. The nature, position and function of politics are not those of the pure economic sphere where business, employment and accumulation are the main relations. However, class conflicts and class struggle need a political economic sphere which is encircled by the pure economic one, and have to confront the different problems of the ruler-ruled relations, which transform the immediate language of business, employment, accumulation to that of politics, in other words, that of political economy. Here, the problems of private capitals in particular and capitalist relations in general turn into the problems of “national wealth,” “diplomacy,” “justice,” “social security,” “urban question,”
“taxation” and so forth. Civil society, political parties, intellectuals, government and bureaucracy participate in political debates without passing over the borders between the pure economic sphere as the territory of dominant class relations and the political economy sphere through which the dominant class becomes the ruling class and the state.

Finally, the study of the pure economic sphere, based upon my arguments, mainly enters the area of studies such as micro-economics, managerial economics, business studies, banking and finance studies, which have naturally been the academic colonies of the neo-classical, marginalist form of the mainstream economics. Therefore, the real science of the bourgeoisie is no longer political economy as in the time of John Locke, Adam Smith or David Ricardo, but is “economics” and “management” in the broad sense as the bourgeoisie ignores and conceals the fact that it is also the ruling class.

Notes

4. Ibid.
5. Ibid.
6. Ibid.
9. Ibid.
10. Ibid.
13. Ibid.
14. Ibid.
15. Ibid.
16. Ibid.
17. Ibid.
18. Ibid.
19. Ibid.
20. Dimitris Milonakis and Ben Fine, http://pauladaunt.com/books/From_Political_Economy_to_Freakonomics.pdf (retrieved March 12, 2012). Actually, as the writers state, the turning point of
how political economy was reduced to economics is accepted as “the marginalist revolution” of the 1870s. Also, let us recall that utilitarian philosophy as the intellectual base of marginalism was already inherent in the bourgeois social theory, tracking back to Claude Adrien Helvetius (1715–1771) and Jeremy Bentham (1748–1832).


23. Ibid.

24. Ibid.


26. Ibid.

27. Ibid.


29. Ibid.


33. Ibid.

34. “Ruling” and “dominating” refers to interrelated but different unequal relations as the former requires “ruled” while the latter is combined by “dominated.”

35. These definitions are a summary of the related quotations in Marx’s *Capital* and political writings in Ercan Gündoğan, *Marxian Theory and Socialism in Turkey* (VDM Verlag, 2009), pp. 91, 183, 188–189 (in Asia, rent and tax coincides); pp. 418–419 (for modern taxation system); p. 420 (for transition to industrial system); p. 425 (relation between property owners, state, taxes and state debts); p. 448 (public servants and services and tax, and capitalists may pay tax for public services and definition of tax as stated: Taxes, “the price for government services,” “belong to the faux frais de production”); p. 583 (Under the Stuart line, between 1603 and 1714, “the landed proprietors” realized the “act of usurpation” through “legal means” and also abolished the feudal rights over land. They compensated the loss of the state that was the result of this abolishment by charging the taxes on the peasantry and the rest of the people); p. 606 (taxation as a state’s measure to maintain exchange between city and rural areas). Taxes have to be paid by working masses as if it is the rent that has to paid to the landlord or to the state as in Asiatic feudalisms. When capitalists pay tax, this occurs only when they are citizens or consumers rather than being capitalists who accumulate capital.