

ANNEX I

Supplement to PHREVO Framework Paper, Version 1.0

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PHREVO Theory of the State: Tactical Cooperation, Strategic Autonomy, and Competitive Obsolescence

Political White Paper v1.0 — Post-Capitalist Political Theory

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Status

Theoretical document — for discussion and refinement. Proposed for PHREVO Framework Paper v1.1.

Audience

Political theorists, social movement activists, policymakers, communities

Key theoretical references

Poulantzas (1978), Weber (1919), Gramsci (1929-35), Scott (1998), Ostrom (1990)

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Abstract

PHREVO is a post-capitalist economic framework. Capitalism does not exist without the state — the capitalist state defines and protects private property, enforces contracts, regulates markets, and provides the legal and coercive infrastructure for capital accumulation. Any system that proposes to replace capitalism must therefore have a theory of what to do with the state that sustains it. This annex presents that theory.

PHREVO's theory of the state occupies a fourth position distinct from the three dominant traditions of twentieth-century left politics. It is not statist (it does not seek to capture and use the state as an instrument of transformation from above). It is not naively anti-statist (it does not ignore the state as if it were irrelevant or would disappear on its own). It is not social-democratic (it does not limit itself to reforming the state within capitalism). It is a strategy of non-state constituent power: communities — not the state — constitute new institutions; the state may recognize them or not, but does not hold a monopoly on constitutionality.

The annex develops four interlocking arguments. First, the state is not monolithic — it is a field of dispute among different class fractions, movements, and bureaucracies, which creates tactical opportunities for engagement that a purely adversarial relationship would forgo. Second, PHREVO adopts three modes of state

relation depending on context: tactical cooperation (working with the state where opportunity exists), strategic autonomy (operating at the margin where the state is hostile or absent), and parallel construction (building institutions that make the state progressively less necessary). Third, the hypothesis of competitive obsolescence — drawn from an analogy with the end of feudalism — holds that PHREVO does not seek to destroy the state by force but to demonstrate superior effectiveness in wellbeing production, governance quality, and redistributive justice, making the state capitalist obsolete in those functions over time. Fourth, three genuine risks — cooptation, repression, and fragmentation — are named with their mitigations, and the limits of the theory are acknowledged honestly.

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I.1 Why PHREVO Cannot Ignore the State

PHREVO is a post-capitalist economic framework. Capitalism does not exist without the state. The capitalist state defines and protects private property rights that make accumulation possible. It enforces contracts that make market exchange reliable. It regulates (or deliberately deregulates) markets in ways that systematically advantage capital. It represses collective organization that threatens capital accumulation. And it provides the legal and coercive infrastructure — police, courts, prisons, armies — without which the "voluntary" relations of the market would collapse into open conflict.

It follows that you cannot replace capitalism without a theory of what to do with the state that sustains it. PHREVO cannot be "apolitical" or "merely technical." Politics is inescapable. The three dominant traditions of twentieth-century left politics each have a theory of the state — and each has failed in identifiable ways:

I.2 Diagnosis: The Capitalist State and Its Contradictions

I.2.1 The State is Not Monolithic

A common error on the left is to treat the state as a homogeneous bloc — a single actor with unified interests serving capital. The operational reality is more complex and more useful for PHREVO's strategy.

The strategic implication is clear: PHREVO must not treat the state as a monolithic enemy. It must identify potential allies (progressive local governments, frustrated technical bureaucracies), active adversaries (national elites captured by extractive capital), and the vast neutral middle (most of the state apparatus, which simply does not know PHREVO exists in Phase 1).

I.2.2 The State as a Field of Dispute

Following Nicos Poulantzas (*State, Power, Socialism*, 1978), the state is not an "instrument" in the hands of the dominant class that can be simply seized and redirected. It is a field of dispute among different class fractions, social movements, and bureaucracies that struggle to impose their interests. The state has "relative autonomy" that sometimes permits policies that do not directly serve capital — environmental law, labor rights, public health systems — precisely because competing forces within the state field have successfully pushed those outcomes. This has two operational implications for PHREVO. First, rather than attempting to "destroy the state" or "take it over," PHREVO can intervene in this field of dispute — using the state's internal contradictions to advance PHREVO's goals. Second, it is possible to build alliances with state fractions that have aligned interests: local governments seeking effective policy tools, environmental agencies frustrated by economic ministry capture, technical planners looking for better metrics than GDP.

I.2.3 The Lesson of the Twentieth Century

The historical record of state-focused transformation strategies is instructive. Statist strategies (Soviet Union, Cuba, Maoist China) produced new concentrated power structures that reproduced many of the oppressions they claimed to eliminate. The problem was not the individuals involved — it was the theory of change: power was concentrated before the alternative institutions capable of distributing it had been built. Anti-statist strategies (Spanish anarchism, Ukrainian peasant movements) were destroyed by states that did not observe their principled refusal to use violence. Social-democratic strategies produced real improvements in welfare that were systematically reversed once the political conditions that produced them changed.

The lesson PHREVO draws: you cannot ignore the state (it will destroy you). You cannot only capture it (it will corrupt you). You cannot only reform it (it is insufficient). You need a dual strategy: building popular power in parallel, while tactically engaging the state on its own terms — through law, policy, alliance, and public legitimacy — without ever depending on it.

I.3 Three Modes of PHREVO-State Relation

PHREVO does not have a single, fixed relationship with the state. Depending on the context, the type of state actor, and the phase of implementation, PHREVO adopts one of three modes — often simultaneously in different parts of the same political landscape.

I.3.1 Mode 1: Tactical Cooperation (Working With the State)

When it is used

A level of the state — most typically a municipality — has a political window: a progressive mayor, a fiscal crisis that forces experimentation, a technical agency interested in better tools.

PHREVO can achieve results faster by working with the state than by working around it.

The risk of cooptation is manageable: the state does not control the core infrastructure, and PHREVO can withdraw without collapse.

Concrete examples

A municipality adopts the PHREVO-Score as its participatory budget evaluation criterion — without changing any law, using only existing executive administrative authority (Annex D strategy).

A ministry of environment uses the Sustainable Depth metric to evaluate extraction permits.

A regional government funds a Basic Impact Income pilot for unwaged carers through an existing popular economy fund.

Conditions for cooperation

PHREVO retains control over its data, its internal governance, and its capacity to say no. Cooperation is never total.

Cooperation is tactical (for specific results), not strategic (PHREVO's existence does not depend on state approval or funding).

There is an exit clause: if the state becomes hostile, PHREVO can withdraw without the community losing everything it has built.

State funding never exceeds 30% of PHREVO's operational budget. The remaining 70% comes from community contributions, philanthropy, or international funds. This is a hard ceiling, not a guideline.

I.3.2 Mode 2: Strategic Autonomy (Operating at the Margin)

When it is used

The state is actively hostile — authoritarian right-wing governments, extractive regimes, governments under direct corporate capture.

The state is incompetent — it cannot provide basic services but also does not actively repress.

The community cannot trust the state — migrant communities without documentation, communities in conflict zones, territories under paramilitaries.

Concrete example

The Dignity Toolkit in New York City is a Mode 2 operation. The federal state is hostile to immigrant communities. The local state (NYC) is ambivalent — officially a sanctuary city, but not a reliable ally. PHREVO operates in the space between:

providing coordination infrastructure that does not require immigration status disclosure, backed by trusted civil society actors (Good Shepherd Church, NYC4All), without depending on any level of government.

Conditions for autonomy

PHREVO operates with non-state resources (philanthropy, community contributions, international funds).

Infrastructure is sovereign (Annex H architecture — territorial nodes, decentralized, encrypted). The state cannot shut down PHREVO by closing a single account.

The community actively protects PHREVO — local legitimacy is the primary protection against state repression.

I.3.3 Mode 3: Parallel Construction (Making the State Progressively Less Necessary)

Definition

Parallel construction is not a phase — it is a permanent tendency. At all times, in all modes, PHREVO is building institutions that can perform state functions better than the state performs them, without requiring state authority to function. The accumulation of these institutions over time is what creates competitive obsolescence.

I.4 When the State is an Ally and When it is an Adversary

I.4.1 Typology of States by Disposition Toward PHREVO

I.4.2 Local States vs. National States

PHREVO strategically prioritizes local states (municipalities, regions, autonomous territories) over national states. This is not a principled preference — it is a strategic calculation based on the comparative advantages of the local level:

Strategic sequence: PHREVO builds local power first — in a network of municipalities and territories that support each other. Then this network pressures the national level from below. Not the reverse. PHREVO does not wait for the national level to "concede" PHREVO from above; it builds evidence at the local level until the national level cannot ignore the results.

I.4.3 States in Crisis as Windows of Opportunity

States in crisis — fiscal, of legitimacy, of governance — are windows of opportunity for PHREVO. Crisis conditions produce three favorable dynamics simultaneously: elites are disoriented and cannot repress effectively; the population is actively seeking alternatives; and the state is willing to experiment with non-orthodox solutions, at least tactically.

Historical examples of crises that open space:

Fiscal crisis (Argentina 2001, Greece 2010): the state cannot fund services; solidarity economy fills gaps; participatory budgeting becomes credible.

Legitimacy crisis (social uprisings: Chile 2019, Colombia 2021): the state loses its narrative monopoly; people seek constituent assemblies, participatory budgets, alternative metrics.

Governance vacuum (Mexico, Central America): the state cannot guarantee security; communities self-organize (with risks from non-state violent actors).

PHREVO must be ready for these windows. They cannot be improvised. Annex B (market entry strategy) and Annex D (legal white paper) are preparations for these moments — so that when a crisis opens a window, PHREVO has a detailed, tested, ready-to-deploy proposal, not a wishful idea.

I.5 Transition Strategy: State Relation Across Three Phases

I.5.1 Phase 1 (Development): Strategic Indifference

Characteristics: PHREVO is small and operates in laboratory mode. Its applications are technical (AI evaluation tools) or community-specific (Dignity Toolkit). The national state does not know PHREVO exists, or ignores it as marginal.

State relation: do not provoke; do not depend; do not hide. PHREVO registers as an NGO or cooperative (minimum legal entity), operates with philanthropic and community funds, does not seek state recognition for its innovations, and does not request state financing.

The goal of Phase 1 is for PHREVO to be irrelevant to the state — not threatening enough to repress, not dependent enough to be cooptable, and not yet large enough to need engagement. Invisibility is a feature, not a failure.

I.5.2 Phase 2 (Territorial Network): Productive Tension and Legitimacy Dispute

Characteristics: PHREVO is implemented in 5 to 20 territories. Impact data is accumulating — visible improvements in PHREVO-Score dimensions. The national state begins to notice PHREVO's existence.

State relation: PHREVO enters into productive tension with the state — disputing legitimacy in specific functions where PHREVO demonstrably outperforms the state (participatory budgeting quality, care infrastructure, impact measurement rigor).

Local allies (progressive mayors) have adopted PHREVO, creating a partial state foothold. The national level may be divided.

Concrete actions:

PHREVO publishes results transparently and continuously — not as provocation but as evidence. The data speaks without requiring confrontation.

Alliances are built with specific state fractions (technical ministries, progressive courts, municipal networks) rather than with "the state" as a whole.

A mutual defense network among PHREVO territories is established: if the state represses one territory, others provide legal, media, and political support.

PHREVO does not retract from public view, but also does not seek unnecessary confrontation with hostile state actors.

I.5.3 Phase 3 (Scaling): The State is Forced to Recognize or Repress

Characteristics: PHREVO is present in dozens or hundreds of territories. A significant fraction of the population (5-20%) participates in or benefits from PHREVO. Results are visible, measurable, and publicly documented.

The state can no longer ignore PHREVO. It must choose: recognize (and possibly coopt) or repress. PHREVO prepares for all scenarios:

I.6 The Competitive Obsolescence Hypothesis

I.6.1 Making the State Obsolete, Not Destroying It

PHREVO does not propose the abolition of the state by decree. The state will continue to exist for a long time — for functions that PHREVO cannot or chooses not to replace (national defense, official monetary system, civil registration, international relations). What PHREVO proposes is something more subversive and more durable: making the capitalist state progressively obsolete in the functions of wellbeing production, governance quality, and redistributive justice.

I.6.2 Monopoly of Coercion vs. Monopoly of Legitimacy

Max Weber defined the state as the organization holding the "monopoly of the legitimate use of physical force" within a given territory. PHREVO does not compete in that domain — it has no armed force and will never have one. PHREVO competes in legitimacy: the capacity to mobilize collective will, resolve conflicts without coercion, and generate binding agreements through consent rather than force. The central political hypothesis: in the long run, the monopoly of coercion without legitimacy is unsustainable. Soldiers who refuse orders, police who protect communities against the state, bureaucrats who leak documents — all reflect the erosion of the coercion-legitimacy nexus. If PHREVO can demonstrate that governance is possible without coercion, that resources can be allocated without violence, that conflicts can be resolved without threat — then the state's coercive monopoly becomes politically and morally obsolete, even if it retains its physical capacity.

Honest limit: the state does not retire voluntarily. It may repress even when it has lost legitimacy — dictatorships demonstrate this regularly. The competitive obsolescence hypothesis works only if the state cannot repress effectively — because the population actively protects PHREVO, because the international community sanctions state violence, because the state's own security forces refuse to repress a popular institution. These conditions are not guaranteed. They must be built through the legitimacy strategy across Phases 1, 2, and 3.

I.6.3 The Historical Parallel: The End of Feudalism

Feudalism did not disappear because revolutionaries seized power and abolished serfdom by decree in a single moment. It disappeared because capitalism demonstrated superior efficiency in producing wealth, mobilizing resources, and organizing labor. Serfs fled to cities where factory work was exploitation — but it was a different kind of exploitation that offered more freedom than the feudal relation. Capitalism competed with feudalism on the terrain of productive capacity and won over decades and centuries.

I.7 Risks and Limits

I.7.1 Risk of Cooptation

Description: the state (national or local) adopts PHREVO terminology and superficial structures to legitimate its existing practices without adopting PHREVO's substantive principles. An authoritarian government adopts the PHREVO-Score but manipulates it to legitimate repression. A corporation calls its labor practices "PHREVO-aligned" while maintaining exploitative conditions. A municipality claims to use the PHREVO-Exchange but assigns all tokens to connected organizations.

Mitigations:

PHREVO maintains independent certification processes — community audit, territorial assembly validation, PHREVO-Score calculated by independent evaluators. The state can use the metric, but cannot call itself "PHREVO" without passing the audit.

Data sovereignty (Annex H) means the state cannot manipulate territorial data without the manipulation being detectable — the blockchain records are immutable and public.

PHREVO has the right to withdraw the PHREVO designation from any adopter — state or private — that fails the community audit. This right is non-negotiable and embedded in the governance structure.

I.7.2 Risk of Repression

Description: a hostile state (particularly authoritarian or extractivist) represses PHREVO by force — seizing servers, detaining activists, declaring PHREVO illegal, disrupting territorial assemblies.

Mitigations:

Decentralized infrastructure (Annex H) makes shutting down PHREVO extremely difficult. There is no single server to seize, no central database to confiscate.

Geographic dispersion across multiple countries and jurisdictions means a single state action cannot destroy the network.

International alliances — foundations, NGOs, sympathetic foreign governments — can apply diplomatic and economic pressure to deter repression.

Community legitimacy is the primary protection. A government that represses a community-beloved institution pays a high political cost. PHREVO seeks to make that cost prohibitive before it faces repression.

I.7.3 Risk of Fragmentation

Description: without a central coordinating state, PHREVO could fragment into locally incompatible versions. One territory adopts PHREVO but modifies the Score in ways incompatible with the network. Another abandons the Exchange. Another exits the replication protocol. The network dissolves into incoherence.

Mitigations:

PHREVO has a constitutionally protected core — the four pillars, the PHREVO-Score base formula, the Exchange architecture — that cannot be modified without a global assembly supermajority. Territories adapt; they do not rewrite the constitution.

The blockchain registry maintains interoperability: any territory whose data records are not consistent with the PHREVO protocol can be identified and its data excluded from network-wide calculations.

Exit has consequences: a territory that fragments out of the network loses access to the Exchange, to the RIB distribution, and to PHREVO certification. It can operate its own "PHREVO fork," but it cannot call itself PHREVO and access the network resources.

The tension between territorial autonomy (Pillar 4) and systemic coherence (Pillar 3) is real and permanent. PHREVO manages it through clear rules and meaningful consequences for fragmentation — not by suppressing autonomy, but by making coherence worth maintaining.

I.8 Conclusion: PHREVO as Non-State Constituent Power

Constituent power is the capacity of a society to give itself new institutions, new frameworks of coexistence, new rules of the game. Traditionally, constituent power has been exercised through the state — constituent assemblies, new constitutions, state reforms. The state has claimed a monopoly on constitutionality: only the state can legitimate new institutional arrangements.

PHREVO proposes non-state constituent power:

Communities — not the state — constitute new institutions.

The state may recognize these institutions or not, but it does not hold a monopoly on the act of constitution.

The new "constitution" is not a legal text but a living protocol (the 4-16-64 matrix) that updates through territorial consensus.

PHREVO does not seek to take the state. It seeks to make the state irrelevant in the functions where the state is ineffective — while cooperating with it where possible, confronting it where necessary, and never depending on it.

This is not anarchism — which rejects all state. PHREVO recognizes that the state will continue to exist for a long time and that in certain contexts it can be a valuable tactical ally.

This is not statism — which seeks to capture the state. PHREVO knows that concentrated power corrupts, and that genuine transformation must come from below, not from above.

This is not social democracy — which limits itself to reforming the state within capitalism. PHREVO seeks to replace capitalism, not to humanize it.

It is a fourth position: build popular power in parallel, dispute legitimacy openly, cooperate tactically with specific state actors, and bet on the competitive obsolescence of the capitalist state in the domains of wellbeing and governance.

The historical analogy with the end of feudalism is instructive not because it is comforting but because it is honest: the transition will be slow, uneven, and often contradictory. PHREVO must hold strategic patience and ecological urgency in tension — without letting either extinguish the other.

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