UNIT 12 : MODE OF PRODUCTION IN SOCIALIST SOCIETY

UNIT STRUCTURE

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12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to -

- understand the philosophy of the socialist society
- know the history and origin of socialism
- know the Marxian theory of dialectical materialism
- understand the socialist economic system, through the systems of production, circulation and consumption.

12.2 INTRODUCTION

The ideas that can be considered as adhering to the philosophy of socialism began to emerge in the sixth century. The ideas of emancipation of the poor, justice and equality for all, etc constituted socialist thought in the early times. However, socialism as is comprehended today is a much later development. It was in the late eighteenth and the early nineteenth centuries that socialism gained predominance as a progressive model of the society and was envisioned as an advanced stage of the society beyond capitalism.

The perception of socialism as an emancipator gained prominence particularly during the times of the French Revolution. Further, it was popularized and spread through the works of Karl Marx who developed a scientific study of social progression and argued that in socialism the ideal society featured by equality and justice could be established.

The socialist economy is distinct in its conduct of the broader economic activities of production, distribution and consumption as discussed below.

12.3 HISTORY OF ORIGIN OF SOCIALISM

The socialist society, to be defined literally, refers to a system of social organization which is primarily characterized by common ownership of resources, guided by egalitarian principles in all aspects of social, political and economic life.

The origin of socialism is traced to the times of Mazdak, considered as a religious reformer and activist who hailed from Persia in the 6th century approximately, who advocated a socialist society based on religion. Further, much later, the essence of socialist thought was reflected in some works. For example, in 1797, in his "Agrarian Justice", Thomas Paine discussed the idea of taxing the rich to pay for the poor. Again, Charles Hall in his "The Effects of Civilisation on the People in European States" (1805) criticized Capitalism and its aftereffects on the poor. These works exemplify the nature of socialist thought of those times, the focus of which was on a comparatively narrower tangent and hence somewhat different from the present day socialist line of thought.

Socialism, as is perceived in the modern times gained prominence during the French Revolution, 1789. The rapidly growing industrialisation and capitalization of the French society simultaneously brought to light the dark side of progress and development, marked by poverty, injustice, pollution, etc. As an attempt to rise above the apathy of the society, thinkers of the times anticipated the evolution and progression of the society to a more humane form. In this attempt, they envisaged a society for both the rich and the poor, the privileged and the underprivileged, a space for all to

express themselves. However, this period did not witness the identification of socialism with a political dimension.

It was however in the 19th century that socialism as a system began to be discussed widely. Some of the early thinkers of this time who engaged with the idea of Socialism were Claude Henri de Rouvroy, comte de Saint Simon (1760-1825), Charles Fourier (1772-1837), Pierre-Joseph Proudhon (1809-1865), Louis Blanc (1811-1882), Robert Owen, etc. It must be noted here that even during this time, the advocates of socialism did not define socialism in terms of a system of governance nor in the sense of a means of production. It was rather comprehended as a means to bring justice and equality to the poor in the rapidly growing capitalist, industrialist society, as was understood in the early times.

The following account illustrates the thoughts and ideas of the early scholars on socialism.

Claude Henri de Rouvroy, comte de Saint-Simon was born on 17 October, 1760 in France. He is regarded as a utopian sociologist. He is considered to be the founder of French Socialism. According to him a society guided by socialist principles should be marked by the state governed production and circulation of goods and services, whereby all individuals shall have the equality of opportunities to nourish their respective talents and skills.

Charles Fourier was born on 7 April, 1772. He is also known as a Utopian socialist of France. He is credited for upholding women's liberty.

Pierre-Joseph Proudhon was born on 15 January, 1809 in France. He was a well-known French politician. He argued that the state is a coercive entity and advocated socialism as a way to overthrow the state coercion.

Mikhail Bakunin was born on 18 May, 1814. He is well known as a revolutionary anarchist from Russia. He argued that in a socialist order there would be equality of resources for all, and the means of production would be taken care of by the workers themselves. Bakunin was therefore known as a libertarian socialist.

12.4 MARXIAN NOTION OF SOCIAL EVOLUTION - DIALECTICAL MATERIALISM

The above account highlights a common notion i.e., the stage of socialism is considered to be as an advanced stage of society. This premise inevitably implies that socialism is preceded by other phases of social life. This can be well understood by Karl Marx's account of society, social progress and evolution. Marx explained social evolution through his conception of 'Dialectical Materialism'. Dialectics, literally means the discourse between contradictory views while seeking to arrive at an advanced stage, guided by logic and reason. Materialism refers to the idea that matter is the determinant of all aspects. Marx argues that all aspects are determined by the material phenomenon. He further argues that the stages of progress and change can be seen as undergoing the following stages: thesis, antithesis, synthesis. It means that a social phase is characteristic of a definite proposition (thesis), which has a tendency of being refuted with the progress in time and knowledge (antithesis), the contradictions and debates shall further give rise to a new phase (synthesis). Marx, on the basis of this understanding, analyzed social evolution and argued that society progresses through some defined stages. According to him, each stage is defined by a distinct mode of production, which changes with the change in technology.

Mode of production is defined as the relations between relations of production and forces of production. Relations of production, in simple terms, can be defined as the relation between the owners and the non owners of the means of production. Forces of production refer to the techniques, tools used in the production.

The following are the stages through which society evolves, according to Marx.

Primitive Communism: This stage is characterized by lack of private property, social hierarchy, etc. It is generally perceived as a hunting-gathering society which is based on the essence of community living.

Ancient mode of production: It is characterized by individual ownership of property. However, property here generally implies the possession of human beings, i.e. slavery. Also, agriculture and the use of animals in agriculture are seen here.

Feudal mode of production: It is characterized by ownership of property in the form of land. The owners of land are referred to as the feudal lords, and the non-owners are termed as serfs. Here, agriculture becomes an extensive practice, featured by the use of machines in the farmlands.

Capitalism: This stage is characterized by private ownership of property, motive of profit making, a regulated market system, amongst others. This stage is marked by rapid growth of industrialization, which further gives rise to distinct urban and rural areas, distinct class divisions, increasing alienation amongst people, etc.

Socialism: It is an advanced and progressive stage of societal growth. This stage is characterized by common ownership of means of production, market has little role in the economic activities, resource allocation is managed by the state, lack of economic classes, etc.

Communism: This stage is also known as the advanced stage of socialism. It is characterised by the absence of the state, unlike the socialist society. Hence, in lieu of the state, here the economic activities would be undertaken and managed by the community in the form of cooperatives. Citizens would collectively manage the functioning of the cooperatives.

12.5 SOCIALIST SOCIETY

The socialist society is preceded by the capitalist society as has been detailed in the above account. Hence, it has been envisioned as an ideal system of social arrangement which is seen as better and superior to the capitalist society. Therefore, in addition to the general characteristics that have already been mentioned, the socialist society is claimed to be recognized by the following:

1. Unlike the capitalist economy, the socialist economy is said to have economic efficiency, due to the lack of overproduction or

underproduction, unemployment, etc., which is further due to the state management of economy.

2. Socialist society does not have the market as a system of transactions of goods or money, as there is no need of such a channel in the socialist society. The function of distribution in a socialist society is carried out by the state, ideally based on the principle of 'to each, according to his/her needs'.
3. Socialist society, by virtue of being governed by the state completely, is considered to be democratic and egalitarian by nature.

The society is a constituent of several components, which are interdependent on each other, and it is their inter-relationship that gives rise to the entity of the society. Some of the significant broad components of the society include the polity, economy and culture, of the society, amongst several others. The economy of a society is generally perceived by its market mechanism, the labour management, material output, etc. Broadly, the economic activities are classified into: the systems of production, circulation and consumption. These three processes enable a holistic understanding of an economy. Further, the functioning of a society and its components is based on the larger ideological and political principles that the society adheres to. Hence, the modus operandi of a society's operations may be distinct from another society with a different ideological background. The socialist economy, owing to the ideological premises it is based on, is featured by a definite way of conduct.

In order to comprehend the socialist economy, the following account discusses the three broad economic activities.

12.5.1 System of production

In the socialist system of production, the motive of production of goods and services is consumption. This is unlike the capitalist society where it can be seen that the motive behind production is not only consumption, but also commercialization of products and hence eventually to make and maximize profit. This naturally implies that goods and services

are defined and valued for their usefulness and not their market value in a socialist society.

The lack of market orientation for the goods and services produced in a socialist economy evidently implies that the products are not subject to the market mechanism and the cycle of demand and supply. Therefore, the production system in the socialist society is more stable and risk-free, as compared to that of the capitalist economy.

As far as the ownership of means of production is considered, a number of methods have been devised which have been found to be ideal for a socialist society. First, the means of production, in a socialist society could be owned by public. Public ownership would mean that the means of production are owned by the state. Next, ownership of means of production could be directly by the users which could be facilitated by a co-operative. Again, means of production could be owned commonly by the entire society whereby the process would be administered by a handful of people amongst them.

Further, the socialist society is characterized by non-discriminatory power relations particularly in the economic space, which further helps to promote a non-hierarchical system of work management. A socialist work space would be characterized by decision making power and participating capacity to all the workers.

One of the primary goals of the socialist society is to eliminate the concept of alienation. The capitalist society is characterized by alienation, which Karl Marx defines as a sense of isolation or detachment. Alienation in the capitalist society, according to Marx in his "Economic and Philosophic Manuscripts of 1844" (1927), could be primarily of four different types :

Alienation of worker from product: This arises because in a capitalist society the design and the method of producing goods and services are not determined by the worker.

Alienation of worker from act of production: The mechanical and repetitive nature of work leaves no psychological satisfaction for the worker, leaving the worker with no attachment with or enthusiasm for his/her work.

Alienation of worker from fellow human beings: The long and routine labour work leaves the workers with little time for recreation and socialization, thereby making the workers develop a feeling of aloofness from others.

Alienation of the worker from other workers: In the capitalist society labour becomes a commodity that is subject to exchange for money. This nature of work makes the workers lose the spirit of connectivity and intermingling amongst them.

The socialist society aims to eradicate alienation by making people free from forced labour.

12.5.2 System of circulation

Circulation or distribution of the product of labour is another important economic activity. As has been mentioned, in the capitalist society the value of labour, goods and services are determined by the market forces, expressed in terms of an exchange value. However, the same does not exist in the socialist society. In the socialist society it is argued that the process of distribution would be carried by the cooperatives of the workers whereby all the workers would participate in a democratic decision making. This is expressed by the famous statement "From all according to their capacities, to all according to their needs." This essentially implies that in the socialist society resources are mobilized and accumulated from amongst the wealthy and are distributed to the needy as per their respective needs and requirements. Thus the process of distribution in the socialist society is not a market led intervention, but is a collective democratic process undertaken by the community or society as a whole.

The above account highlights the theoretical arguments that clearly bring out the distinction between the capitalist and the socialist system of distribution. However, Karl Marx is also seen as admitting that in reality such a clear distinction is difficult to be seen. The new socialist society is a progression from the old capitalist society, hence traces of the latter can be seen in the former.

Further, the capitalist society is characterized by the concept of socially necessary labour time. It is the amount of time that a worker needs

to work for in order to produce a particular quantity of goods. The socially necessary labour time further determines (along with other factors) the wages that the labourer shall receive. However, in the socialist society, the socially necessary labour time does not bind the workers' condition and wages. Here, it is seen as a factor with limited capacities to manage the workers' condition.

The pragmatic, ideal model for labour, time and wage determination in a socialist society has been explained by Karl Marx as follows. He argues that the accumulation of the labour time of all workers would define the social labour day. This measure of the labour day, when calculated shall reveal the exact share of work done and time spent on work by each worker. The wages that the workers will receive shall be based on his share of work done in a day or over a definite period of time, which shall be given out from a common fund.

12.5.3 System of consumption

In the socialist society, it is argued that the sharp distinction between the systems of production and consumption does not exist, unlike that of the capitalist society. In the capitalist society, the entities of consumption are generally classified into two types: necessary goods and luxury goods. The former are defined as those goods which are necessary for survival, the latter are defined as goods (and services) meant for the purpose of luxury, and hence they generally form part of the consumption list of the rich people. It is argued that the socialist society shall not exhibit this distinction of goods. Thus, here, with growth in production, there is growth in national income which eventually leads to the increase in the consumption basket. This further leads to growth in consumption in the society, thereby indicating a higher fulfillment of the needs and requirements of the people.



CHECK YOUR PROGRESS

1. Who is the author of the book "Agrarian Justice"?
2. Define materialism.
3. Mention one characteristic of feudal mode of production.



12.6 LET US SUM UP

- The beginning of socialist ideas can be traced to approximately the sixth century. However socialism gained prominence during the French Revolution. Further it began to be widespread in its present philosophical form only in the eighteenth and nineteenth centuries.
- Karl Marx discussed social evolution and progress as a process, called dialectical materialism, which is featured by some stages that all societies pass through. Socialism is envisioned as an advanced stage of society by Marx.
- Some of the general traits that characterize the socialist society are that the socialist society is democratic, egalitarian, characterized by economic efficiency, lack of market determined mechanism to control the major economic activities.
- In the socialist society the means of production are largely community based, unlike that of the capitalist society. Further, here, the motive behind the production of goods and services is consumption, and not profit making.
- In the socialist society, circulation or distribution of resources is not guided by the market mechanism, but is determined by the community based on egalitarian principles.
- In the socialist society, all goods and services shall be accessible for the use of all people. Further, unlike in the capitalist society, a growing socialist economy would indicate equal distribution of resources to all.



12.7 FURTHER READING

1. Abercrombie, Nicholas; Stephen Hill & Bryan S. Turner; 2000; The penguin Dictionary of Sociology; England.