

Developing Marx's Mode of Production Theory



It is not surprising that Karl Marx is having a comeback today, after the 2008 financial crisis, the growing awareness of capitalism's propensity to crises and ecological problems, and the fact that global inequality has increased to an obscene degree – all of which Marx foresaw.

That this is all happening 150 years after the publication of *Capital*, Marx's magnum opus, shows the importance of understanding his work. Rather than being outdated, it is even more relevant today than when it was published since the above developments came as a surprise to mainstream thinkers. Capitalism was supposed to get better with time.

Capital is first and foremost an unsurpassed explanation of the very specific nature and development of the system of capitalism, which was relatively new in his day. Since then it has become so ubiquitous throughout the world that its particularities are often obscure to those who live within it, as a fish might be unaware of the nature of water. Some mainstream economists even say that "capitalism" is just Marx's word for an economic system that has actually existed throughout history, equating capitalism with any society that had a market. It is thereby naturalized, seen as an expression of the natural human tendency to exchange, to buy and to sell. Capitalism, as a specific system with a very particular

nature, thus disappears. But Marx's masterwork puts the lie to this interpretation, as it shows in detail the inner workings and tendencies of a very distinct kind of economy, radically different from those that existed before, which emerged in a particular historical period for particular kinds of causes. Its prescience makes it easy to see the essential similarities between his world and ours, as globalization has remade the world in its own image, as Marx said it would.

Capital's analysis of this peculiar economic system provides us with the means to understand how this happened and why, as well as to understand both previous economies, and ones that followed capitalism. The key concept is the idea of a mode of production that Marx develops in *Capital* (although the idea is present in earlier work as well). More than a concept, it is the essential methodological tool for understanding history, different societies and the potentials and limits for change within those social formations.

Implicit also in *Capital*, I would argue, is a moral critique of capitalism and all other class societies, and by implication, a vision of what he often referred to as a "higher form of society."[\[1\]](#) According to Marx exploitation was essential to all class societies, indeed defining of class society, both in general and of each particular form. Given that *Capital* is devoted to an understanding of capitalism, he devoted this work to an elucidation of the form that exploitation takes in this system, viz., the extraction of surplus value. This has unfortunately led many people to identify Marx's concept of exploitation with the extraction of surplus value and therefore as specific to capitalism. However, this is just the particular form of exploitation in capitalism, as he makes clear in the following quote from Volume I:

"The essential difference between the various economic forms of society, between for instance a society based on slave labor and one based on wage labor, lies only in the mode in

which this surplus labor is in each case *extracted* from the actual producer, the laborer.”[2]

Or consider this quote, from Volume III:

“The specific economic form, in which unpaid surplus labor is *pumped out of* direct producers determines the relations of rulers and ruled.”[3]

Notice the words: *extracted from* and *pumped out of*.

From these formulations I infer that in Marx’s view:

1) a particular form of coercion and surplus extraction are connected in all class societies; in fact they are constitutive of the relations of production that define a given mode of production.

2) this is a fundamental explanatory feature of all class societies

3) changes in forms of exploitation are critical for understanding historical change.

Exploitation occurs when producers lack control of their means of subsistence and hence, in order to survive they are forced, directly or indirectly, to work for others who appropriate their labor’s product. In slavery and in feudalism both the force and the extraction of surplus are clear. In capitalism, neither the force nor the surplus are apparent. Legally speaking workers are free to work for different employers or for none, and employers pay them a wage for their labor. Marx’s specific account of how, despite these appearances, workers are forced to work and the capitalist class extracts a surplus from their labor, rests on the labor theory of value. Many critics of capitalism, including some who call themselves Marxists, reject the labor theory of value. For my purposes here, we can leave aside this debate, because Marx has a broader understanding of exploitation in capitalism. Workers,

Marx says, "agree, i.e. are compelled by social conditions," (i.e. their lack of means of production/subsistence), to work for others who own/control these resources and who then reap the product of their labor. His account of primitive accumulation explains how this came about, resting, he says, on force and establishing the conditions which then force the producers to work for the owners.[\[4\]](#) With or without Marx's labor theory of value, this is true.

The mode of production analysis helps us to see that exploitation also existed in post-capitalist societies. The fundamental question is always who controls the means of production? In Soviet-style bureaucratic collectivist systems (so-called because the party-bureaucracy owns the means of production collectively via their control of the state), it was the bureaucracy that controlled the means of production and subsistence, leaving the producers no choice but to work for them. And it was the bureaucracy that controlled the surplus for their needs and purposes. This analysis allows us to see the continuity between the modes of production of capitalism, feudalism, slave systems and the bureaucratic systems, as they are all class societies. But the specific differences between them are equally important.

Each mode of production, as Marx understood it, has certain kinds of structures and tendencies, a certain nature if you will. To continue the quote given earlier, "it is always the direct relationship of the owners... to the producers ... which reveals the innermost secret, the hidden basis of the entire social structure, and with it... the corresponding form of the state."[\[5\]](#) In capitalism, a competitive market system, each capitalist firm must try to maximize its own profit, in order to beat the other capitalist and get a larger share of the market. So each firm is compelled to grow, to expand, to revolutionize the forces of production in order to produce more while lowering their costs. Whatever the variations and changes within capitalism, – and there are many, as capitalism

is a highly dynamic system – this is a constant. Other systems, pre-and post-capitalist, do not have this built-in imperative, this “motor” of to growth. Indeed slavery and feudalism were marked by stasis and crises of underproduction, capitalism by crises of overproduction.

This concept of a mode of production is important for several debates, starting with what changes are and are not possible within capitalism.

Consider gender relations: in developed capitalist countries women have become more independent from men and more equal both legally and economically than ever before. Nevertheless, they still are subject to sexual predation, as Donald Trump has helped to highlight, their reproductive rights are insecure, and they still do the bulk of caring labor, whether for free or for low pay. Low-paid care work, being wage work, fits the account of exploitation in *Capital*, while the work they do for free does not. Feminists have often criticized Marx on this point, but since *Capital* is intended to elucidate what makes the capitalist system tick, so to speak, unpaid work is irrelevant. Hence this is not a valid criticism in my opinion. Marxist feminists have developed an enriched account of social reproduction, which tries to *supplement* the account in *Capital*, showing the crucial importance of this unpaid and under-valued work, both in human terms and for capitalism, as it produces labor power on a daily and generational basis.[\[6\]](#)

The extraordinary improvements in gender relations within capitalism raise the question of whether women and men could ever be totally equal in a capitalist society. Liberals think so, contending that “it’s just the remaining influences of patriarchy” and “if we only *leaned in* more...” and so on. Some Marxists also seem to imply this is possible by their contention that, unlike class oppression, sex and race oppression are not essential to capitalism. But while they are not *logically* essential, (that is, we can *imagine* a gender and race-neutral version of capitalism), it does not follow that

they are incidental; indeed, as Marxist feminists, including myself, have argued, they are very likely historically, pragmatically necessary. Consider what women have and have not achieved. What they've achieved are their basic democratic rights, which do not threaten profits, indeed that may augment them. Care work in the United States is still largely a private responsibility because supporting care as the public good it is would seriously cut into profits. In other countries with more social supports, the advent of global neoliberalism has meant drastic cut backs in these benefits, as such supports put them at a competitive disadvantage vis-a-vis countries without them, like the United States and China. Consider also the racialization of this type of work, which is mostly done by immigrants and women of color; this allows its under-valuation to be obscured or rationalized as natural and appropriate for "those kinds of women."

Thus capitalism's inherent nature puts constraints on gender and race equality. Today individual women and minorities have moved to the top ranks of society. At the same time however, class differences among women and among blacks have actually increased. Movements that could reduce sex and race oppression for the majority of people must be based on working class struggles, integrating the different dimensions of oppression. Thus the frequent counter-position of class and "identity politics" is misleading, unhelpful, indeed counterproductive.

Another and probably most important example of the capitalist limits to change is the multiple ecological crises facing the planet, which, as Al Gore's charts show, took off with the development of capitalism. Its imperative to grow is simply incompatible with a sustainable environment. As the Southern regions of the United States struggle to recover from hurricanes of unprecedented strength and in the West from devastating forest fires, Americans can no longer imagine that global warming is only a problem for far away places. Those environmentalists who advocate a simpler no-growth economy are

one hundred percent correct, but unless they also recognize that this is impossible within capitalism they are another variety of climate change deniers. This point is underlined by the contrast between capitalism and non-capitalist modes of production, as I will try to show after a short detour.

The concept of a mode of production is important for debates as to how to understand various societies transitioning to capitalism, some from “traditional” feudal modes of production e.g. India – and others coming from so-called socialist or communist modes of production. People on the left disagree as to whether capitalism, as Marx understood it, is applicable to both these kinds of societies.

Many post-colonialist thinkers have denied that Marxist analyses are applicable to countries like India because, they argue, India lacks key features of developed capitalism, in particular, it lacks liberal political and cultural institutions. Since India did not make these political changes, and remains deeply colonial in many ways, therefore, they argue, Marxism does not apply to post-colonial societies like India. But Vivek Chibber, [\[7\]](#) using the mode of production analysis, distinguishes those features that are essential to capitalism and those that are not. Marxism does not contend that capitalist development will be *uniform* all over the world. Rather, it claims that *certain* features of capitalism are *universal*. Capital’s economic needs – the sine qua non being profit maximization – are the defining ones; they are present in India and in fact they might be aided by the very traditional social hierarchies and oppression that post-colonialists deem to be incompatible with capitalism. Even in the West, as Chibber points out, liberal political forms did not come automatically with capitalism but had to be fought for over many centuries. So the mode of production analysis enables us to see that such traditional societies can be understood in Marxist terms, even though they are different in many respects from developed capitalist societies in the West.

The systems that existed in the Soviet Union and China after their revolutions pose other questions; people calling themselves Marxists have disagreed from the very beginning as to how to characterize them. The mode of production analysis helps us to approach these debates. Though the Soviet Union and China developed (economically) under Stalin and Mao, their push for development and growth was not the same as capitalism, either in scope (they had nowhere near the same growth) or in cause. Unless the bureaucracy decided to develop something, it did not happen; there was no *automatic* motor that drove growth as there is in a market system. In fact the cause of growth was more like feudalism in that it stemmed from political rather than economic needs; as feudal lords competed with each other, so these countries competed with other global powers.

Today these systems have changed radically. I will focus on China, the most complex and interesting of the two, relying here on the work of Richard Smith who identifies China today as a *hybrid tripartite mode of production* – part state-owned, part foreign-invested private-state joint venture export sector, part domestic capitalist.[\[8\]](#) The foreign-invested sector of the economy, which accounts for about a third of industrial output, produces most exports and has created *enormous* growth (20% in this sector), helping to push China's overall GDP to more than 10% per annum for twenty years up to 2011. (The development of this capitalist sector was similar in crucial ways to the development of capitalism in Europe.)[\[9\]](#)

But the other sector, of state-owned enterprises, which produce half of China's industrial output, and which includes the *commanding heights* of the economy, runs on *very different imperatives*. Many of the state-owned enterprises are justly called dinosaurs because they would have gone extinct in a fully capitalist economy. But the government, nominally "communist," cannot afford to let millions of people be

unemployed. So the government keeps its zombie companies going producing steel and aluminum it can't sell, building things like ghost cities, an airliner that costs more to produce than it would to import, etc., etc. This makes sense in their bureaucratic mode of production even though they are totally irrational from a capitalist point of view, as Western economists never tire of pointing out. The two systems, or modes of production, simply have different natures, therefore different drivers, and different rationalities.

This combination of market-driven growth in the largest economy in the world and the lack of even the minimal political democratic checks typical of capitalism is driving China toward what Smith has called an ecological apocalypse.

And finally, the mode of production analysis also gives us the key conditions for socialism, a "higher form of society." As Marx conceived it, this is a society where the means of production are under *democratic collective control*, so the conditions for exploitation do not exist. The producers control the product of their labor and they get it all back collectively. Nor does alienation exist. Both points are expressed in this famous quote from *Capital III*[\[10\]](#): "the producers *rationally regulate* their interchange with Nature, bringing it under *their common control*... with the least expenditure of energy and under conditions most favorable to and *worthy of their human nature*." Beyond that is the true realm of freedom, he says concluding, "the shortening of the work day is its basic prerequisite."

Such a society would allow for more time with our families and friends, for all kinds of labor that are not profitable under capitalism, be it caring labor to enhance the health and welfare of human beings and of the Earth, artistic, and other kinds of creative work – and more time simply for leisure. Socialism is thus inherently feminist and eco-socialist. But Marx's vision of collective "rational regulation" of production is only possible on a global level, as the level of

production has to be sufficient for everyone in the world to have a decent standard of living. Global systems of democratic governance will be required.

Today it is ever more clear that – in Rosa Luxemburg’s words – humanity’s choice is between socialism and barbarism.

Notes

[1] Though this might seem obvious to most readers, it was an object of intense debate in the 1980s. See Norman Geras, “The Controversy about Marx and Justice,” in *Literature of Revolution* (London, 1986) for an excellent summary.

[2] *Capital Volume 1* (New York, 1967), p. 217.

[3] *Capital Volume 3*, p. 791.

[4] *Capital Volume 1*, p. 714.

[5] *Capital Volume 3*, p. 791.

[6] In particular, Lise Vogel, *Marxism and the Oppression of Women: Toward a Unitary Theory*, second edition with Introduction by Susan Ferguson and David McNally (New York, 2013); Johanna Brenner, *Women and the Politics of Class* (New York, 2000).

[7] Vivek Chibber, *Post-Colonial Theory and the Specter of Capital* (London, 2013)

[8] Richard Smith, “China’s Communist-Capitalist Ecological Apocalypse,” paecon.net.

[9] “The Necessity of Gangster Capitalism: Primitive Accumulation in Russia and China,” Nancy Holmstrom and Richard Smith, *Monthly Review* (February 2000).

[10] *Capital Volume 3* (New York, 1967), p. 820.

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