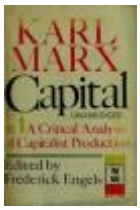
Exploitation and Modes of Production

written by Nancy Holmstrom | February 24, 2018



The mode-of-production concept that Marx develops in *Capital* (although the idea is present earlier) is the essential methodological tool for understanding history, different societies, and the possibilities for social change.

According to Marx, exploitation was essential to all class societies, indeed defining of class society, both in general and for each particular form. While many people think Marx's concept of exploitation was specific to capitalism, as the extraction of surplus value, he makes clear that this is just the specific form of exploitation in capitalism.

"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." (*Capital* Vol. I, 217).

Or, 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." (791)

From these I infer that a particular kind of coercion and surplus extraction are connected in all class societies; indeed they are constitutive of the relations that define a given mode of production.

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 surplus are clear. In capitalism, less clear. Marx's specific account of how this happens in capitalism rests on the labor theory of value, but his understanding of exploitation in capitalism is broader than that. Workers, Marx says, "agree, i.e. are compelled by social conditions, to work for others who reap the product of their labor." With or without the 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 systems, 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.

So this allows us to see the continuity between capitalism, feudalism, slave systems, and bureaucratic systems—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. In capitalism, being a kind of competitive market system, each capitalist firm must try to maximize its own profit in order to beat the other capitalists 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 costs. Other systems, pre- and post-capitalist, do

not have this built-in imperative. Indeed slavery and feudalism were marked by stasis and crises of underproduction, while capitalism sees crises of overproduction.

This concept 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 Trump has helped to highlight, and they still do the bulk of caring labor, whether for free or for low pay. Low-paid care work fits the account of exploitation in *Capital*, while the work women 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, so this criticism is not to the point, in my opinion. Marxist/socialist feminists have, however, developed an enriched account of social reproduction, which tries to supplement the account in *Capital* by showing the importance of this work, both in human terms and for capitalism since it produces labor power.

Now 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, and some Marxists seem to imply it 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 haven't achieved. What they've achieved are their basic democratic rights, which do not threaten profits, indeed may augment them. But care work in the United States is still largely a private responsibility because supporting care work 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 cutbacks.

The nature of capitalism thus puts constraints on gender and race equality. Today, while individual women and minorities have moved to the top ranks of society, class differences among women and among blacks have actually increased. Any movements that could reduce sex and race oppression must be based on working-class struggles, integrating other forms of oppression. Thus the counterposition of class and "identity politics" is misleading, indeed counterproductive.

Another, and probably the most important, example of 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. I will return to this point in a minute.

The mode of production helps us understand debates about countries transitioning to capitalism. 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, liberal political and cultural institutions. But Vivek Chibber, using the mode-of-production analysis, clarifies that Marxism does not contend that capitalist development will be *uniform* all over the world, but rather 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.

The above point regarding capitalism and ecological crisis is underlined by considering the changes in the Soviet Union and China. While each country developed under Stalin and Mao, their push for

development and growth was not the same as capitalism, either in scope (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 a market system does. 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.

Richard Smith identifies in China today a hybrid mode of production. The capitalist sector of the economy has created *enormous* growth; it has a 20 percent growth rate. But the other sector, the state-owned enterprises, 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 cannot afford to let millions of people be unemployed, so they create things like ghost cities. Though totally irrational from a capitalist point of view, as Western economists never tire of pointing out, they make sense in the bureaucratic mode of production.

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 causing what Smith has called an ecological apocalypse.

Environmentalists who advocate a simpler no-growth economy are 100 percent correct, but unless they also recognize that this is impossible within capitalism they are another variety of climate change deniers.

Finally, the mode-of-production analysis also gives us the key conditions for socialism. As Marx conceived it, this is a society where the means of production are under *collective democratic control*, so the conditions for exploitation do not exist. The producers control the product of their labor and they get it all back collectively. This is expressed in this famous quote from *Capital* Volume III (820): "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. "The shortening of the work day is its basic prerequisite."

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

Footnotes

This essay was originally written for a talk on the occasion of the 150th anniversary of Das Kapital, presented at a forum organized by the Rosa Luxemburg Foundation and the Goethe Institute, New York, September 14, 2017. References are to the New York: International Publishers edition of 1967.