

Assumptions of Marx's Theory of Social Organization

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1. Social development is dependent upon the social consciousness of human beings
2. The mode of production plays a determining role in the life of society
3. Relations of production correspond with the level and character of productive forces
4. Class struggle is the motive force of social development in antagonistic formations
5. Every society contains within it, the conditions for the emergence of a new society.

Primitive Communism

There existed collective rights for basic resources. There was no hierarchy, authoritarian rule or hereditary status. In Migratory or pastoral forms of organization, human beings existed in communal beings and became individualized only with the growth of private property.

Population growth and tribal warfare gave rise to the division of labour based on ethnic slavery. A hierarchy started to emerge with patriarchal family chieftains as heads. The union of several tribes, either by agreement or by conquest led to the emergence of cities. These cities are the clearest index of the division of labour, since it indicates the growth of organization. From a state of primitive communism, society gradually turns into a slave-based society.

Ancient Society (Slavery)

The ruling classes lived in the cities with slaves working for them. There emerged a shortage of land because of population growth, leading to more military adventure, hence incorporating more slaves into the system and its subsequent expansion. According to Marx, the ruling classes in Ancient society regarded labour with contempt, not worthy of free men. Therefore, there was absolutely no motivation to increase productivity from existing sources. Such a lack of motivation in the ruling class resulted in more military adventure and trade grew only until a point. The entire system of production and commerce then disintegrated, as witnessed in the ancient cities of Greece and Rome. With this disintegration, a large number of local warlords established their rule.

Feudalism

For Marx, the case of Rome, where local warlords challenged the authority of centralized rule, exemplified the move to a feudal society. Feudal society itself involved two major forms of social organization: a) small-scale peasant agriculture (serfs and landlords) and b) handicraft production undertaken in guild organizations. These two forms of organization comprised the beginnings of an urban-rural dichotomy though in many ways Feudal society was primarily a rural one. By the 12th century onward there were definite developments in the forces of production and the emergence of the bourgeoisie. Feudalism itself lasted between the 9th and the 15th centuries.

One of the basic conditions of serfdom was that the serf had to surrender a certain amount of produce to the lord. Serfs themselves were their own proprietors. Relationships in a guild were an extension of lord-serf relationships.

Municipal administration, which arose in the 12th century in Europe, resulted in some autonomy being achieved by serfs from the lords. The economy was good because demand was high. Wool prices in particular skyrocketed. Many landlords converted all their land into

grazing land for rearing sheep and evicted a large number of serfs who moved to cities. The freed serfs existed independently of the guildmasters.

Even though the seeds for the growth of capitalism had been sown, organized manufacture itself did not originate in craft industries controlled by guilds in the sense that guilds themselves were craft-based industries that did not rely upon the division of labour. Other factors that led to the emergence of capitalism as a formal system of social organization were a) political conquest of territories in Asia and Africa, b) maritime trade with established and emerging colonies and c) an influx of raw materials.

Capitalist Society

Capitalism is marked by its predominantly production for sale/exchange orientation as distinct from production for use.

A capitalist mode of production features a market where commodities are bought and sold. Labour itself becomes a commodity. Wages are paid depending upon a) the number of time spent (time-rate) and b) the amount of output produced (piece-rate).

In a capitalist mode of production, the predominant mediation of exchanges is undertaken by the use of money. It plays a role unique in nature simply because money in the economy gives the capitalist a maximum amount of flexibility.

In this form of economy it is the capitalist or his agent who controls the production or the labour process. He has authority and power over the workers, the environment of production, and the choice of techniques.

Competition is intrinsic to capitalism. A competitive environment forces/motivates the capitalist to work to retain his share of the market.

For Marx, even though capital itself plays a role in every social formation, it is only under capitalism that it became central to the mode of production. Marx stipulates that capital itself is not a 'thing' but it is a social relation seen in the form of things. For him, capital is all about money making. Assets which create money for the owner embody a relationship that exists between those who own money and those who do not. At the heart of this social relationship is the commodity. For Marx, a commodity in general is a product, produced by concrete human labour, that satisfies human wants. Under capitalism, however, a commodity takes on an exclusive exchange value, produced by abstract labour, distinct from an inherent use value. Abstract labour is measured in terms of what Marx called 'socially necessary labour time.' It is in terms of time that the value of commodities are measured.

From the 15th to the 18th century, capitalism was at its initial, mercantile form. There existed maritime trade by state chartered monopoly companies. Cash, precious metals, etc, appropriated from the colonies were required for the growth of capitalism. Primitive accumulation or the siphoning off of resources was a prerequisite for mercantile capitalism.

In the mercantile phase, manufacture was simple in nature—the exchange was basically spices, metals, handicrafts and suchlike. This simple mode became more and more complex when the steam engine, electricity and the cotton-spinning industry came into widespread use. This industrial phase of capitalism saw production multiplying many times. There was a clear shift from mercantile to Industrial capitalism in India, for instance, in 1857 when, after huge debates in the British parliament, the Crown took over the functioning of the East India Company which gradually declined in importance thereafter and was forced to compete with other British companies. India was thus converted into a market for British finished products as compared to its earlier position as a trading colony.