

Capitalism's Futures: A Reconceptualization of the Problem of Post-capitalist Modes of Production

This chapter is an exercise in a particular kind of concept formation: the construction of theoretically grounded social taxonomies. Its point of departure is the claim that the repertoire of concepts available within the Marxist tradition for exploring the potential futures for capitalism is not up to the task. Specifically, the tradition lacks adequate concepts for thinking about multiple possible post-capitalist forms of society. The chapter then proposes a strategy for enriching this conceptual space: define a series of abstract concepts of pure modes of production and then specify the ways in which these concepts can be combined to generate more concrete categories of social forms. The rationale for this strategy is the view that the concrete variability of forms of society can be understood as complexity generated by variable combinations of simpler elements (in this case modes of production).

The credibility of the exercise rests on three things: the credibility of the strategy itself, the credibility of the specification of the simple elements, and the credibility of the ways in which such simple elements are combined to define more complex forms. When this chapter was originally written, in 1979, I felt no need to engage with the first of these issues. While there were many debates over how best to define the concepts of mode of production and relations of production, I had no doubt that these concepts were firm foundations for building analytically powerful typologies of social forms. I also felt no need to defend the claim that socialism was a feasible future for capitalism. The issue of the times on the left was how best to define socialism and differentiate it from other possible post-capitalist social forms, not whether it was itself a plausible possible future. Most of the effort in the chapter, therefore, is devoted to defending a particular way of specifying the distinctions among post-capitalist modes of production

and elaborating the concrete social formations constituted by their possible combinations.¹

One of the central theses of historical materialism is that capitalism has a non-capitalist future. Capitalism is a transient social form, it is argued, since the contradictions within that social form make its indefinite reproduction impossible. Just as there was a period in human history when capitalism existed nowhere on earth, so eventually there will come a time when capitalism will have completely disappeared.

Given this thesis, the critical question then becomes: what can we say theoretically about the future of capitalism – is capitalism as a social form a stage in a single historical trajectory with only one eventual outcome, or does capitalism have multiple, qualitatively divergent possible futures?

The classical Marxist answer to this question was simple: there is only one future to capitalism, communism, with socialism as the transitional phase (or, equivalently, the “lower stage” of communism). This claim is based on four general propositions:

PROPOSITION 1 *The contradictions inherent in the capitalist mode of production make the reproduction of capitalism as a social form progressively less viable.* Principal among these contradictions is the contradiction between the development of the forces of production and the capitalist relations of production. In its early phases capitalism was a progressive, indeed a revolutionary, mode of production. It stimulated the development of the forces of production, generating historically unprecedented advances in human productivity; it destroyed social and cultural barriers to human invention and creativity; and opened up, for the first time in history, the possibility of a basic human emancipation from the constraints of pervasive scarcity. But mature capitalism blocks that possibility. The forces of production become “fettered,” both in the sense that their development stagnates and their use becomes increasingly irrational.² The capitalist relations of production thus progressively come

1. All writing is stamped by the intellectual and political context in which it is written, but rarely has that context shifted as rapidly as it has for left-wing intellectuals in the fifteen years since this paper was originally written. In the late 1970s the radical critique of capitalism was nearly always posed from the vantage point of some kind of socialism as a practical (rather than simply a normative) alternative. While there was much interesting discussion about precisely what one meant by socialism and what kinds of institutional arrangements were necessary for socialism to function effectively, there was relatively little skepticism on the left about socialism *per se*. The tone and preoccupations of this chapter, and to a somewhat lesser extent, the next, reflect these presuppositions.

2. The thesis that capitalist relations lead to the stagnation of the forces of production is usually based on arguments about the systematic tendency for the rate of profit to fall with capitalist development, and thus for the driving force of technological innovation in

to contradict the forces of production, and this in turn makes the ideological and political reproduction of capitalist society more and more precarious.

PROPOSITION 2 *These contradictions simultaneously create the essential preconditions for socialism.* Productivity increases enormously and thus the social surplus expands, the forces of production become ever more social in nature, the population becomes more literate and mobile, etc. Thus, just as capitalism becomes less and less viable, socialism becomes more and more possible.

PROPOSITION 3 *The contradictions of capitalist development also produce the class capable of realizing that possibility in practice.* Capitalism, to use the classic expression, produces its own "grave-digger," the proletariat. Thus, not only does socialism become more possible as capitalism develops but it becomes progressively more likely, and eventually becomes inevitable.

PROPOSITION 4 *No other alternative principle of social organization besides socialism is generated by the inherent logic of capitalist contradictions.* The only preconditions for an alternative social form are socialist preconditions, and the only class capable of destroying capitalism and transforming it into a non-capitalist future is the working class. As a result, socialism – and eventually communism – constitutes the only possible resolution of the contradictions of capitalism. Thus, the practical question of socialist revolutionary politics becomes how to speed up the process, how to avoid strategies that might delay this single possible outcome. But there is no question about what that outcome will eventually be.³

Many Marxists continue to accept the essential arguments of this classical position. The classical position, however, has three important implications which have led others to question some of its assumptions. First, if socialism as the transition to communism is the only future to capitalism, then to be steadfastly anti-capitalist is necessarily to be pro-socialist. This implies that in the aftermath of a revolutionary break with capitalism,

capitalism to be undermined. Recent Marxists have tended to de-emphasize this formula because of a variety of problems with the law of the tendency for the rate of profit to fall, and instead stress the deepening irrationality of the way capitalism uses the mighty forces of production it has generated. For a particularly cogent argument to this effect, see G.A. Cohen, *Karl Marx's Theory of History: A Defense*, Princeton, N.J. 1978, chapter 11.

3. For a sophisticated discussion of the logic of the historical trajectory of capitalism, see *ibid.* For a fairly strong statement that socialism is the only conceivable future to capitalism, see John McMurtry, *The Structure of Marx's World View*, Princeton, N.J. 1978, especially chapter 8.

revolutionaries really have only one counter-revolutionary fear: the possibility of the restoration of capitalism. If that can be prevented (typically by repressive means), then the socialist future is secured automatically. Second, the classical position implies that countries such as the Soviet Union which have experienced anti-capitalist revolutions must either be socialist or capitalist. No other possibility exists. This has led to the elaboration of various theories of state capitalism on the one hand, and theories of "deformed" or "bureaucratic" socialism on the other.⁴ Third, the working class is the only "bearer" of a future within capitalist society, since the only future to capitalism is one within which the working class is the ruling class. This means that all classes and social groups within a capitalist society must ultimately become aligned along a capitalist-socialist political axis. All other political stances are "utopian" or masks for what really amount to pro-capitalist orientations.

The dissatisfaction with these implications in light of the historical development of both Western capitalist societies and Eastern "actually existing" socialist societies has led to a variety of attempts at reconstructing elements in the original theory. In particular, propositions 3 and 4 have been modified in crucial ways:

PROPOSITION 3A *While the proletariat is formed as a class in the course of capitalist development, its capacity to assume leadership of the society and reorganize the relations of production may be blocked, perhaps indefinitely.* Many different mechanisms may have the effect of blocking the capacity of the proletariat to become a ruling class: forms of ideological domination by the bourgeoisie may saturate the working class with capitalist values, needs, and subjective interests;⁵ forms of political domination may incorporate the workers as citizens into the state and undermine their capacity to become formed as a class;⁶ forms of economic domination may fragment the working class into hostile occupational

4. The state capitalism thesis is most closely associated with theorists in the Maoist tradition. For the best-known proponent of this view, see Charles Bettelheim's various works, e.g., *Class Struggles in the USSR*, New York 1976, *Economic Calculation and Forms of Property*, New York 1975. For a Trotskyist argument defending a version of the state capitalism thesis, see Tony Cliffe, *State Capitalism in Russia*, London 1974. The second formulation – the Soviet Union as a deformed socialism – is most typically associated with the Trotskyist tradition. See, for example, Ernest Mandel's writings on the subject, e.g., "Ten Theses on the Social and Economic Laws Governing the Society Transitional between Capitalism and Socialism," *Critique*, no. 3, Autumn 1974.

5. See, for example, Herbert Marcuse, *One-Dimensional Man*, Boston 1964 for a classical statement of this position.

6. See Adam Przeworski, "The Material Bases of Consent: Economics and Politics in a Hegemonic System," *Political Power and Social Theory*, vol. 1 (JAI Press, 1979), and "Material Interests, Class Compromise and the Transition to Socialism," *Politics and Society*, vol. 10, no. 2, 1980.

strata, incapable of struggling collectively for economic goals, let alone more radical political and ideological objectives; and social divisions within the working class based on race, ethnicity, religion, etc., may replace class as the central forms of identification and consciousness, thus undermining class formation altogether. Capitalism may become less viable as a social system, its contradictions and crises may deepen, and yet the working class remain incapable of acting decisively to seize power and become a ruling class.

PROPOSITION 4A *Capitalism contains within itself the potential for non-socialist, post-capitalist alternative principles of social organization.* Not only is the working class potentially immobilized as a revolutionary subject, it is not the sole bearer of a future to capitalism. At least two other, overlapping social categories are sometimes seen as bearers of a *potential* alternative to capitalism: bureaucrats or managers, particularly within the state, and professionals and technical experts. Sometimes these two categories are combined as a "professional-managerial class" or a "technocratic stratum." In any event, these social groupings are seen as posing a new form of exploitation and domination as an alternative to capitalism, one in which experts/bureaucrats appropriate the surplus product and dominate the direct producers not by virtue of their ownership of private property in the means of production, but by virtue of their incumbency in bureaucratic positions and their possession of technical expertise. The fate of capitalism, therefore, cannot be reduced to the simple polarization of bourgeoisie vs. proletariat, but involves the much more complex matrix of conflicts among workers, capitalists, state bureaucrats and experts, the possible outcomes of which include radically non-socialist yet post-capitalist forms of social organization.

Many of the analyses that defend some version of proposition 4a are decidedly non-Marxist, even anti-Marxist, in their theoretical commitments (although frequently the theorists involved passed through a Marxist phase in their intellectual development).⁷ Typically the concept of mode of production drops out of the discussion, and if the concept of exploitation is used at all it is as an evaluative label for privilege rather than a technical term describing a form of appropriation of surplus labor. Furthermore, the political-ideological thrust of most theories of a state-centered bureaucratic-technocratic transcendence of capitalism is to demonstrate the impossibility of socialism, and the general desirability of the pluralistic character of capitalist society. For these reasons Marxists have generally rejected out of hand the claims in proposition 4a.

7. In this regard see, in particular, James Burnham, *The Managerial Revolution*, Bloomington, Indiana 1960; and Milovan Djilas, *The New Class*, New York 1957.

This rejection, I will argue in this chapter, is unwarranted. While it is true that positing the possibility (let alone the actual existence) of post-capitalist class modes of production does require certain changes in classical historical materialism, it is possible to develop a concept of such modes of production that is consistent with the core concepts of Marxist theory: relations of production, exploitation, mode of production, and classes.

The central objective of this chapter is to elaborate a conceptual framework for specifying possible forms of non-socialist futures to capitalism. I will assume throughout the chapter the essential adequacy of propositions 1 and 2, and will treat only in passing the problems raised in propositions 3 and 3a. The focus, then, will be on the problem of understanding the logic and structure of the multiple alternative social forms of production to the capitalist mode of production, the alternatives that constitute the potential futures of capitalism.

As a result of this agenda, the discussion will be theoretical and conceptual rather than historical, although I will use historical examples by way of illustration for specific conceptual points. While the conceptual points themselves come out of an attempt to grapple with historical experience, I will not attempt to chart a proper historical analysis. In particular, I will not try to solve systematically the riddle of "What is the class nature of the Soviet Union?" or other countries that claim to be socialist. Although toward the end of the chapter there will be some discussion of "actually existing socialism," the preoccupation of the chapter will be more with clarifying the conceptual terrain for such an analysis than in developing a sustained empirical assessment of the Soviet Union in light of these concepts. My feeling is that the debates on the Soviet Union are so charged with polemical fervor and conceptual confusion that the most important immediate task is to clarify the conceptual parameters of the debate.

Modes of Production

General conceptual clarifications

Like most concepts in historical materialism, there is relatively little consensus over how to define the concept "mode of production." In the current debates over the concept, four different positions can be discerned:

1. *The mode of production consists of a specific articulation of the social relations of production and forces of production.* This is probably the most conventional usage. The concept "mode of production" is seen

as designating abstractly the essential structure of the "economic base." The contradiction between the forces and relations of production, then, is seen as a contradiction *within* the mode of production.⁸

2. *The mode of production consists of the relations of production alone.* This usage is not defended explicitly, but in practice it is often the effective meaning of the term. Discussions of the salient differences between capitalism and socialism or communism, for example, rarely mention systematic differences in the nature of their forces of production, but rather emphasize the salient differences in the relations of production.
3. *The mode of production consists of the totality of social dimensions of the productive process.* G.A. Cohen, for example, defines the social mode of production as "the social properties of the production process. Three dimensions of production are relevant here: its purpose, the form of the producers' surplus labor, and the means of exploiting producers (or mode of exploitation)."⁹ Relations of production as such are not included in this definition, although they are clearly implicated in all three of the social properties specified.
4. *The mode of production consists of the totality of economic, political and ideological determinations associated with a given set of production relations.* The concept of production relations remains at the core of the concept of mode of production, but that concept loses its character as primarily an economic concept. Rather, it is a concept for grasping the interconnection and interpenetration of all aspects of social relations as they are bound up with the social relations of production. This concept is most closely associated with the work of Nicos Poulantzas.

I do not wish to enter into the debate over the appropriateness of one or another of these usages. This debate is important, if only because substantive discussions are often confused by an inadequate specification of the concepts involved, but it would take us too far afield to deal with it rigorously here. What I propose to do is adopt a usage basically in keeping with the third definition above, but which understands the term

8. This position is argued with some rigor by Barry Hindess and Paul Hirst in their book *Pre-Capitalist Modes of Production*, London 1976, where they argue that the concept of an "Asiatic Mode of Production" is theoretically incoherent because it is impossible to specify a set of forces of production that correspond to the relations of production identified with this mode of production. In later works, especially *Marx's Capital and Capitalism Today*, London 1977, 1978, they abandon the concept of mode of production altogether and restrict their discussion to "relations of production."

9. Cohen, *Marx's Theory of History*, p. 80.

"social" in a way in keeping with the fourth definition. That is, the mode of production will be defined as *the totality of the social dimensions of the productive process, where "social" includes economic, political and ideological aspects.*¹⁰ Understood in this way, the mode of production clearly has as its object, *production*, but it does not comprehend production as purely "economic" in character.

Defining the mode of production as the totality of social dimensions of production is obviously too vague to be of much use for the specific analysis of capitalism and post-capitalist mode of production. What we need to do is specify the content of those social dimensions that are most critical for differentiating modes of production. In this analysis, I will emphasize four critical issues:

1. *The mechanisms of appropriation of surplus labor*, that is, how it comes to pass that the surplus products embodying surplus labor are appropriated from the direct producers.¹¹
2. *The logic of the allocation of resources and disposition of the surplus labor*, that is, what processes constrain the ways in which the surplus product is used once it is appropriated from direct producers.
3. *The form of the political dimension of the production relations*, that is, the specific ways in which domination/coercion are organized within the total process of production.
4. *The nature of the classes determined by the relations of production.* This chapter is about capitalism's futures. Which of these futures will actually occur will depend upon the practices of classes pursuing different, and often antagonistic, projects of social change and social reproduction. It is of great importance, therefore, not only to decode the structural properties that differentiate one mode of production from another, but to specify some of the salient consequences of these properties for class structure, class formation, and class struggle.

10. A terminological distinction must be made between the structure *of* something and that same thing *as a* structure. When we talk about the structure *of* the mode of production it is essential to recognize that this structure has political and ideological as well as economic aspects, and as a result the mode of production cannot be analyzed as purely economic reality. On the other hand, when we refer to the mode of production *as a* structure, it is appropriate to call it an "economic structure" because its organizing principle is economic and its most fundamental effects are economic.

11. The term "appropriation" rather than "exploitation" is being used here since in some modes of production surplus labor may be appropriated without exploitation occurring (e.g. in communism). Exploitation always implies through one mechanism or another a process of appropriation which (a) involves coercion, based on (b) different relationships to the means of production of producers and non-producers.

These four aspects of the analysis of modes of production are obviously not independent criteria. For example, as we shall see, it is impossible to specify the mechanism of appropriation in a mode of production without talking about the relations of domination (form of the political dimension of production). Each of these aspects presupposes the others, and thus the modes of production they define are fully distinguished only by the gestalt of all four criteria taken together.

Specifying capitalist and post-capitalist modes of production

The next step in our analysis is to use the four criteria presented above to specify three modes of production: the Capitalist Mode of Production, the Communist Mode of Production, and what, for want of a better name, I will call the Statist Mode of Production. Several preliminary remarks may help to avoid some unnecessary contestation.

First, the two post-capitalist modes of production we will be examining – communism and statism – are not meant to be logically exhaustive of all possible post-capitalist modes. With a little ingenuity one could construct other conceivable forms of post-capitalist systems of production. I am limiting the analysis to these two because, first of all, they are the two images of post-capitalist alternatives that have received the most attention in the Marxist literature, and second, they have the clearest empirical basis in the immanent tendencies of capitalism itself. They thus constitute not simply logical alternatives to capitalism, but historically possible alternatives.

Second, the term “statist mode of production” or “statism” does not imply that every instance of state involvement in economic activity is necessarily a form of this mode of production. I will be using the term in a theoretical and technical sense, not simply a descriptive one, and thus it is only in the course of elaborating the concept and differentiating it from other concepts that its content will become specified. Various writers have proposed other labels for this system of production – bureaucratic collectivist mode of production, state bureaucratic mode of production, rational redistributive system of production, and so forth – and each of these has specific advantages and disadvantages. Since “statism” is the most succinct term and captures a critical part of the essential logic of the mode of production – that the state as such is the direct organizer of the entire system of production and appropriation – I will use the shorter term throughout this discussion.

Third, in the traditional Marxist lexicon “socialism” itself is not a mode of production, but rather the transitional phase between capitalist and communist modes of production. The status of such transitional phases will be discussed in detail below. Our discussion in this section will

deal only with modes of production and thus will analyze communism rather than socialism.

Fourth, in a number of places in the discussion that follows, it will be useful for purposes of exposition to make contrasts between the modes of production being discussed and both feudalism and simple commodity production (i.e., production for the market in which no labor-power is employed). No attempt will be made, however, to provide a full discussion of these forms of production.

Finally, two points need to be made about the methodology of concept formation employed in this analysis. First, concepts should be viewed as the core theoretical tools employed in empirical investigations and theory construction. They are not, however, directly given by the “facts” or “data” of those investigations. To be sure, obstacles to understanding encountered in the course of research may suggest the need for new concepts; and the ability (or inability) of a new concept to penetrate those obstacles may demonstrate the success (or failure) of the attempt at concept formation. But concepts are never simply given by the data alone; they are always produced through a theoretical process. This leads to the second point: in one way or another the process of concept formation involves drawing lines of demarcation between different concepts and establishing the structure of interdependencies among concepts. The full meaning of a concept, of course, can only be established contextually within the theories in which the concept figures. But the parameters of its content can be established by elaborating the multiple dimensions in terms of which the concept differs from various kindred concepts. This will be the essential strategy of the exposition that follows.

The discussion that follows will be organized around the four aspects of modes of production listed earlier. Since the specification of capitalism in terms of these criteria is quite familiar, most of the analysis will revolve around the statist and communist modes of production.

Mechanisms of appropriation of surplus labor

Surplus labor represents the difference between the amount of time (labor) it takes to produce the total social product and the amount of labor it takes to produce those products consumed by the direct producers (the producers of the social product). In different modes of production this surplus labor is appropriated through different mechanisms. The contrast between feudalism and capitalism in these terms is a familiar one: in feudalism producers (serfs) are forced to work a certain number of days on the land of the feudal lord. The surplus product (and thus surplus labor) is thus directly appropriated through what is usually termed “extra-economic coercion.” In capitalism, on the other hand, surplus labor in the form of surplus value is appropriated by capitalists by

virtue of the difference between the total value of the commodities produced by workers and the value of the commodities they consume (i.e., purchase with their wage).

For purposes of drawing lines of conceptual demarcation between capitalism, statism, and communism, two dimensions underlying the process of appropriation are particularly salient:

1. *Forms of property.* Here the critical distinction is between forms of property in which the means of production are *privately* owned and forms in which they are *publicly* owned. "Private property" implies that the decisions to invest or disinvest, to buy and sell means of production are made by autonomous groups of individuals in control of the resources of specific enterprises; "public property" implies that all such decisions are made within some kind of state apparatus. As we shall see, there are intermediate cases such as "public utilities" in capitalism which are regulated by the state (and thus complete freedom to disinvest is blocked), and "semi-autonomous enterprises" in statism, in which enterprise directors have some possibilities of trading means of production.
2. *Relation of direct producers to means of production.* Here the critical distinction is between modes of production in which the direct producers own their own means of production and can therefore produce their own means of subsistence (or at least the equivalent of their means of subsistence), and modes of production in which workers are separated from the means of production and therefore must seek employment in order to obtain subsistence.

These two dimensions taken together generate the fourfold table presented as Table 6.1. *Capitalist exploitation* is defined by the combination of private ownership of the means of production (means of production can be bought and sold) and the separation of direct producers from the means of production (they must sell their labor-power to capitalists to obtain subsistence). Where they are not dispossessed of the means of production, we have *simple commodity production* rather than capitalism. If a surplus is produced in such a system, it is appropriated by the direct producers themselves and thus does not constitute "exploitation."

In contrast to both capitalism and simple commodity production, the means of production are publicly owned in both statism and communism. Where these modes of production differ is in the relation of direct producers to the means of production: in *communism* the direct producers collectively own and control the means of production. Whatever surplus is produced, therefore, is appropriated through some kind of

Table 6.1 Typology of Forms of Appropriation of Surplus Labor

		Forms of Property Relations	
		<i>Public</i>	<i>Private</i>
Relation of the direct producers to means of production	<i>Separated from means of production (non-owners)</i>	Statism	Capitalism
	<i>Not separated from means of production (owners)</i>	Communism	Simple Commodity Production

collective process.¹² The mechanism of appropriation can thus be designated "social-collective self-appropriation" (the rationale for the adjective "social" appended to "collective" will become clear when we discuss workers' self-management below). The central idea is that the direct producers decide through a collective social process how much labor will be performed in excess of simple social reproduction, and the obligation to perform such labor is collectively imposed on individual workers.¹³ "Collectively" in this context implies necessarily that the process is participatory and democratic, but it leaves open the precise institutional form through which this would be accomplished and of course does not imply that there is necessarily universal consensus on every decision.

In *statism*, on the other hand, direct producers are fully dispossessed

12. The argument is sometimes made, if only implicitly, that the distinction between surplus labor and necessary labor becomes meaningless in a communist society. If all labor is freely chosen and scarcity has been totally abolished so that accumulation in either value or physical terms is unnecessary, then all labor is simply creative labor, a free expression of human individuality, and cannot be broken down into a surplus labor component. Such a final state of affairs may or may not be a real possibility in some future historical epoch. But it seems to me unnecessary to restrict the concept of communism as a mode of production to such an eventuality. I will use the term "communist mode of production" to designate a set of production relations within which necessary labor still exists and surplus labor is performed, but in which the social process for its appropriation and disposition is organized collectively by the direct producers.

13. Unless one takes a rather utopian view of the nature of a communist society, it is unlikely that the performance of surplus labor (or even necessary labor for that matter) will be universally voluntary at the individual level. In any event, there is no need to build such an assumption into the definition of such production relations. The key issue is that where obligations are generated they are done so through a participatory collective process rather than through either an impersonal market or a bureaucratic-hierarchical state.

of the means of production and thus must seek employment if they are to obtain subsistence. To be sure, in communism people may have to *work* (produce) but they will not have to seek *employment* in the sense of working for someone else who owns and controls the means of production as is the case in statism. However, since all means of production are publicly owned in statism, there is no market mechanism to adjust prices to values of commodities, and thus exploitation does not occur through an impersonal, market-mediated value mechanism. Rather, the form and magnitude of surplus product is determined politically through some kind of bureaucratic planning mechanism. That is, the surplus product is physically appropriated through technical plans which specify the amounts of different products to be produced, levels of consumption, investment, etc. (of course, subject to political constraints, class struggle, etc.).

Dynamics of resource allocation and disposition of the surplus

Modes of production are characterized not only by specific mechanisms for the appropriation of the surplus from direct producers, but by different dynamics for the disposition of that surplus. Two dimensions of the production system bear particularly heavily on the problem of resource allocation and surplus disposition:

1. *The immediate purpose of production: exchange versus use.* Marxist political economics distinguishes between two central characteristics of commodities: their *exchange value* and their *use value*. The former designates the quantitative differences among commodities in terms of how much of one commodity is the equivalent of another; the latter designates the qualitative differences among commodities in terms of what uses or needs the commodity helps satisfy. The hallmark of capitalism, it is often noted, is that exchange value dominates use value: only those commodities are produced that can be exchanged on the market, and the quantities of production of different commodities are determined by exchange criteria rather than by how much the commodity might be needed.
2. *Dynamic of disposition of the surplus: accumulation versus consumption.* Surpluses can be used for two basically different purposes: they can be accumulated as additional means of production to produce greater surpluses in the future which are accumulated as additional means of production, etc., or they can be used for various kinds of final consumption of either an individual or collective variety. This does not imply that investments would not occur, or even that growth could not occur, but that the purposes and direction of such growth would be strictly subordinated to the needs it would help satisfy.

There is no pressure for accumulation for the sake of accumulation.

Table 6.2 Typology of the Logic of Resource Allocation

		Immediate Purpose of Production: Use vs. Exchange	
		<i>Use Value</i>	<i>Exchange Value</i>
Dynamic for the disposition of the social surplus	<i>Accumulation</i>	Statism	Capitalism
	<i>Consumption</i>	Communism	Simple Commodity Production

Taking these two criteria together, we have the fourfold possibilities presented in Table 6.2. In the capitalist mode of production, capitalists are not free to dispose just as they please of the surplus they appropriate, at least if they wish to remain capitalists. They are systematically constrained by the pressures of class struggle and competition to convert much of the surplus value they control into new capital, i.e., to accumulate. The logic of production, therefore, is not simply production for exchange – this is true for all commodity production, including simple commodity production – but production of exchange value to be used to produce more exchange value.

In communist production, things are produced because they satisfy needs. Use value guides the production decisions of each individual production process, and consumption is the organizing principle for production as a whole. Where growth in productive capacity is planned it is with the specific aim of increasing the possibilities of consumption.

Statist production can be thought of as system of accumulation of use values rather than exchange values. Production is planned in physical terms, and the decision to produce a given quantity of a given product is because of the specific uses to which those products will be put within such a plan rather than because of the abstract exchange value represented in those products. If exchange value exists at all, it is strictly subordinated to use-value criteria in production decisions. But the dynamic of resource allocation and surplus disposition remains centered around accumulation and growth of productive capacity.

It might be asked, where does the pressure for accumulation come from? What mechanisms produce an abstract growth dynamic? In capitalism two complementary answers are usually given to this question:

on the one hand, *competition* among capitalists means that each capitalist will potentially face bankruptcy if he or she refrains from using profits to expand production; on the other hand, *class struggle* between capitalists and workers means that in the absence of growth, all distributive conflicts between workers and capitalists become zero-sum. This makes the task of containing the class struggle much more difficult, both for the capitalist class as a whole and for individual capitalists.

But why should accumulation be a central dynamic in statist production, in which property is publicly owned and thus bankruptcy precluded (at least in the normal sense)? The reasons are somewhat parallel to the capitalist case. First, the power of different segments of the state bureaucratic-productive apparatus depends upon the amount of social resources at their disposal, and this largely hinges on the priorities established in the central plan. In the absence of general growth, therefore, all struggles over resources in the planning process – which are essentially power struggles – become zero-sum conflicts. One sector's gain is necessarily another sector's loss. There will thus be systemic pressures on the planning process itself to pursue a growth policy, since this makes the management of conflict much easier.

This dynamic might be termed "bureaucratic competition" since it involves competition over resources by different segments of the bureaucracy, but it is a qualitatively different sort of competition from capitalist competition. The mechanism that translates the individual competitive pursuit of interests into a social outcome – accumulation – in capitalism is an impersonal market, an essentially economic mechanism. In statism, the mechanism is primarily political. The process by which conflicting interests are aggregated into a growth agenda is a conscious one, requiring action, communication, and negotiation, not a spontaneous, unconscious process.

The second reason why systemic pressures for accumulation exist in the statist mode of production centers on the problem of the reproduction of the class power of the statist ruling class as a whole. The material basis of the power of any ruling class is the amount of surplus product/labor it is able to appropriate. This power base can be increased either by raising the rate of exploitation or by a strategy of general growth which increases productivity and expands production.¹⁴ While both strategies are pursued, there are clearly much greater limits on the former, both

14. There is an assumption here that ruling classes will attempt to expand their power, or at a very minimum, reproduce their power. The motivational assumption underlying this thesis is that the privileges and prerogatives of members of the ruling class are contingent upon such power and that people generally attempt to reproduce or expand their privileges if they have the opportunity to do so. The sociological assumption underlying the thesis is

because of physical constraints of subsistence levels and because of resistance by exploited classes. The reproduction and expansion of the class power of the statist ruling class thus tends systematically to require growth.

Both capitalism and statism are thus characterized by a systemic process of accumulation. But these are quite different kinds of accumulation. Capitalist accumulation is accumulation of value structured by the impersonal forces of the market. Statist accumulation is accumulation of concrete productive capacity structured by the political forces of the state bureaucracy. This leads us to the next important element in our discussion: the form of the political within the system of production.

The form of the political dimension of production relations

The third aspect of modes of production we will discuss is somewhat less familiar than the previous two and therefore requires some additional preliminary discussion.

Many Marxists would argue that it is illegitimate to talk about the political dimension of production relations. Production relations are economic; political relations are the domain of the state. While political relations may be important in maintaining the outer parameters of the system of production, at least in capitalism they are not a constitutive dimension of production itself.

Such an argument implies that exploitation can be understood as strictly an economic process. The systematic use of coercive force might be needed to reproduce the system of exploitation (the "outer parameters"), but such force is not part of the functioning of exploitation as such, at least in capitalism. Such arguments usually are supported by a contrast between feudal exploitation and capitalist exploitation: in feudalism, it is argued, exploitation itself does require the exercise of political power – usually referred to as extra-economic coercion – since without such coercion serfs would not work the land of the feudal lord. In capitalism, on the other hand, exploitation occurs through a purely economic mechanism centered in the wage-labor exchange. Extra-economic coercion is unnecessary. Thus, in feudalism there is supposedly a fusion of the economic and the political, whereas in capitalism there is

that the power of ruling classes is always under challenge in one way or another, either from subordinate classes or from competing ruling classes (in other societies). The need to attempt to expand the base of power is thus imposed on a ruling class by the threats to its power, even if they have little personal incentive to do so to increase privileges. In the statist mode of production it might be expected that conflicts between states as such might be a particularly significant pressure in this direction since the ruling class is so intimately tied to the state.

an institutional differentiation between the political (the state) and the economic (the market and factory).

Such an account of the difference between feudalism and capitalism is quite misleading. Exploitation in capitalism cannot be considered a simple consequence of the sale of labor-power, as a purely economic transaction. For surplus labor (value) to be appropriated workers must also perform actual labor within the labor process in excess of the labor they consume in the commodities they buy. And for this to occur some kind of coercion is needed within the labor process itself. Without such coercion, why would workers perform unpleasant tasks within production processes at a rate or intensity sufficient to produce profits for the employer? Capitalist exploitation thus implies the exercise of political power within the factory combined with the economic exchange in the labor market.

This way of understanding the status of the political within capitalist exploitation implies that the general relationship between the political and the economic in capitalism and feudalism – and indeed in modes of production in general – has to be rethought. As Ellen Meiksins Wood has argued, capitalism should not be understood as a production system in which the political and the economic are totally institutionally differentiated.¹⁵ In capitalism the political dimension of production is differentiated institutionally from the political dimension of the state (i.e., the factory is differentiated from the state), but economic transactions and production are still immediately connected with the exercise of political power.

This problem of the status of the political within production relations becomes particularly crucial when we discuss the proposed concept of statism as a mode of production. Like feudalism, statism is a mode of production in which the political dimension of production relations is institutionally organized within the state apparatus. It thus becomes impossible to specify such a mode of production unless political dimensions can enter the discussion.

As a first cut into this dimension of modes of production, we can distinguish between political relations *within the labor process* itself, and the political dimension of production relations *outside the labor process*. Within each of these aspects of the production process the critical distinction is between two forms of political relations: relations of *domination* and relations of *self-determination* (either individual or collective self-determination). Taking these dimensions together we have the typology presented in Table 6.3.

15. Ellen Meiksins Wood, "The Separation of the Economic and the Political in Capitalism," *New Left Review*, no. 127, May–June 1981, pp. 66–95.

Table 6.3 The Form of the Political Dimension of Production Relations in Different Modes of Production

		Form of the Political Dimension of Production Relations <i>within</i> the Labour Process	
		<i>Self-determination</i>	<i>Domination</i>
Form of the political dimension of production relations <i>outside</i> of the labor process	<i>Self-determination</i>	Communism	Capitalism
	<i>Domination</i>	Feudalism	Statism

Capitalism and feudalism represent polar opposites in this typology: in feudalism, the actual organization of the labor process is done primarily in a cooperative, self-determined way by peasant communities, but they are coerced into engaging in production on the lands of the feudal lord; in capitalism, workers are free to sell their labor-power to any employer, to move to seek better employment, etc. In advanced capitalism this freedom in the exchange relations has been further enhanced by unionization, welfare, and unemployment insurance, all of which give workers greater capacity to self-determine the sale of their labor-power. But once they enter the labor process they enter the coercive domain of the political domination of capital.

In statism, political domination is exercised in both domains: the allocation across sectors of means of production and possibly even individual laborers is decided bureaucratically within the state economic apparatus; and within production the performance of labor is coercively organized.¹⁶ The "politics of production," to use Michael Burawoy's apt phrase, are thus much more transparent in statism than in capitalism, because coercive processes operate in all phases of the production process. As we shall see in the next section, this has important implications for the character of class struggles in such societies.

The presence of domination relations in the allocation of means of production and labor power across sectors (i.e., centralized, bureaucratic planning) does not necessarily imply that the political apparatuses

16. There is no logical requirement in a statist mode of production that individual workers be coercively assigned to jobs. Wage rates would be administratively established through a central plan, as would the job offerings in different sectors, but individuals could still be given choices in applying for jobs.

of the state will take a despotic form. It is important to distinguish the nature of *state economic apparatuses* – those directly engaged in organizing and planning social production – and the *state political apparatuses* – institutions of representation and conflict management (legislatures, courts, police, etc.). While the relationship between these two is not random, there is no reason to suppose that there is a one-to-one correspondence between them either. As I will argue in the following section, there are probably systemic pressures within a statist mode of production for the political apparatuses of the state to take relatively despotic forms, but such outcomes are conditioned by class struggles, institutional traditions, and other factors.¹⁷

Class structure and class struggle

In this section I will focus almost exclusively on the problem of class structure of the statist mode of production, since this is clearly the most problematic issue. Since in communism there is by definition no exploitation, there can be no classes as such. The class structure of capitalism is well theorized – if still hotly debated – so I won't discuss it in any detail here except by way of contrast with statism.¹⁸

I will explore two central issues in the problem of classes in a statist mode of production: first, how should the ruling class be conceptualized? What defines the central principle of its relationship to the subordinate class? And second, what are the central principles of class struggle within this relationship?

Theorists who either explicitly or implicitly hypothesize the existence of something akin to a statist mode of production have conceptualized the ruling class of that mode in one of two ways: either as a class of technical experts (or intelligentsia) who monopolize scientific-technical knowledge, or as a class of bureaucrats who monopolize positions of bureaucratic power. While discussions of these alternatives typically revolve around empirical assessments of the Soviet Union, and are thus at a lower level of abstraction than the present analysis, nevertheless it

17. As in the discussion of the capitalist state, the analysis of the "statist state" requires a distinction between the form of the state and the form of regime. All statist states would have some common basic traits: the institutional boundary between political and economic activities would be permeable; revenues of the state would come primarily from state-produced surplus, not taxation; the stability of the state would depend upon the stability of the economic planning process; and so on. Given such general characteristics, it is quite possible to imagine forms of democratic representation, perhaps of a corporatist nature, as well as more strictly despotic forms of regimes.

18. For a general review of the current debates on class structure among Marxists, see Erik Olin Wright, "Varieties of Marxist Conceptions of Class Structure," *Politics & Society*, vol. 9, no. 3, 1981.

will be instructive to examine briefly the logic underlying each of these two positions.

The claim that the technical intelligentsia constitutes the ruling class in a statist society typically revolves around three complementary arguments. First, technical experts are portrayed as having a common relationship to a special means of production – technical knowledge, or what is sometimes called "cultural capital" – which they monopolize. Second, because of the nature of production in advanced industrial (or "post-industrial") societies, the monopoly of technical knowledge becomes a material basis of power since such knowledge is the pivot of technologically sophisticated production. Third, where market principles are suppressed and rational planning becomes the central mechanism for distributive decisions, the technical expertise of the planners becomes the central basis for legitimating their control of the system of production. Control of technical knowledge thus confers both economic power and legitimacy on technical experts, and this constitutes the essential basis for technical experts becoming a ruling class in a statist society. The fundamental class relation of such a society in these terms is between experts and non-experts (or between credentialed and non-credentialed, or mental and manual, etc.). Arguments of this sort, with various modifications, can be found in the work of Gouldner, Konrad and Szelenyi, and many others.¹⁹

The alternative position argues that while credentials or expertise may be one criterion for recruitment into ruling-class positions in a statist society, the monopoly of technical knowledge as such cannot be considered the core of the class relation. The pivot of the class relation must be located in the relation of bureaucratic domination itself. Exploitation – the appropriation of surplus labor from direct producers – occurs in a statist society not because non-experts relinquish a portion of their product to experts on the basis of the technical superiority of experts, but because they are forced to do so by coercively enforced bureaucratic edicts.

For knowledge *qua* knowledge to constitute the mechanism of exploitation (and thus the axis of the class relation), it would have to be the case that knowledge possession per se conferred the capacity to appropriate surplus, rather than that knowledge possession facilitates personal recruitment into positions that confer the capacity to appropriate surplus. The contrast with capitalism is instructive in this regard: an owner of capital is, by virtue of that ownership, able to exploit and

19. For recent discussions of these issues, see especially Alvin Gouldner, *The Future of Intellectuals and the Rise of the New Class*, New York 1980 and George Konrad and Ivan Szelenyi, *Intellectuals on the Road to Class Power*, New York 1979.

dominate workers. Owning capital may also give people access to other kinds of positions – for example, political positions – but this is not essential to the specification of the basic class relation itself. For the case of the possession of knowledge the question then becomes: can we imagine a system of production in which the possession of “cultural capital” or technical knowledge by itself conferred the capacity to appropriate surplus?

For this to be the case two things would have to hold: first, the more cultural capital a person possessed, the more surplus that person would be able to appropriate. This would imply that it was the cultural capital as such and not the bureaucratic position into which the possessor of such capital was recruited that conferred the capacity to appropriate. Second, it would imply that orders given by technical experts would be followed primarily because they were seen as technically “rational,” either because of past performance of the person giving the order or because of technical argument. But they would not be followed primarily because of legally sanctioned lines of command rooted in the hierarchical organization of the bureaucratic structure. If orders are followed because of formal sanctions for non-obedience rather than because of rational persuasion on technical grounds, then the social relation involved must be considered primarily a bureaucratic-authoritative one rather than one based on differences in technical knowledge.²⁰

If the above account is correct, then it seems to me to be implausible that a technical intelligentsia could ever be a ruling class simply *in its role as possessor of technical knowledge*. Once in power it would consolidate its position by becoming either a statist-bureaucratic ruling class or some kind of new bourgeoisie, since it is very hard to see how it could reproduce its dominance and capacity to appropriate the social surplus solely, or even primarily, on the basis of the persuasive capacity of its technical competence. Thus, while it may well be the case that credentials or technical competence are important criteria for recruitment into ruling-class positions in a statist society, the defining criterion of the class relation itself is the system of bureaucratic domination that determines relations to the means of production and defines the central mechanism of surplus labor appropriation.

The ruling class in a statist society is thus defined by those positions within the relations of bureaucratic domination that control the basic allocation of means of production and distribution of the social surplus. This implies that vast numbers of positions within the bureaucratic structure of the state economic apparatuses are *not* in the ruling class.

20. Gouldner, *Future of Intellectuals*, stresses this distinction between bureaucratic and expert rule.

Rather, they must be considered “contradictory locations within the class relations” of the statist mode of production: positions simultaneously dominated by the bureaucratic ruling class and dominating direct producers. As in the case of managerial-supervisory positions within capitalism, they are objectively torn between the basic poles of the class relation in that society.²¹

Given this class structure, what can we say about the nature of class struggle structured by a statist mode of production, and what are the most salient differences from class struggle in capitalism? One feature above all is striking: in capitalism the institutional separation of the “politics of production” from the state means that there are built-in mechanisms tending to contain economic class struggle at the economic level. One of the pervasive dilemmas the working-class movement has always faced in capitalism has thus been the systemic pressures toward a depoliticization of class conflict. Furthermore, the forms of representative democracy that have developed in capitalist society have, if anything, tended to deepen this depoliticization by transforming workers into citizens, by transforming leaders of mobilized social movements into representatives of atomized electorates, by placing a premium on short-run demands over long-term reforms, and so on.²²

In statism, on the other hand, economic class struggle – struggle over the size and distribution of the surplus product – is immediately a political conflict. The politics of production become a form of political struggle involving the state. There is thus no tendency for struggles by direct producers to be purely economic; they are always politicized by virtue of the social relations they confront. This implies that democratic forms of regime are likely to have very different effects in such societies than in capitalist societies. Rather than contributing to depoliticization of demands, democratic forms are likely to contribute to the focusing and intensifying of the process of politicization. In capitalism, the institutional separation of economic apparatuses from state political apparatuses means that even when popular demands are registered in representative institutions there are severe institutional barriers to their threatening the bases of class power. In statism, the basic institutional unity of state political and economic apparatuses means that such barriers are likely to be much weaker. Challenges to the class power of

21. For an extended discussion and defense of the concept of “contradictory locations,” see Erik Olin Wright, *Class, Crisis and the State*, chapter 2. It should be noted that many of the incumbents of such contradictory locations in a statist mode of production will be precisely those technical experts who are sometimes seen as the “new class” in such a society.

22. For a penetrating analysis of these mechanisms, see Adam Przeworski's studies of capitalist democracy cited in note 6 above.

the bureaucratic ruling class are thus much more likely to be expressed in representative bodies and when expressed, to pose a more serious threat to the basis of that power in the state economic apparatuses.

There are thus systematic pressures generated by the basic structure of a statist mode of production for the state political apparatuses to take relatively despotic forms. Where elected representative bodies exist, they are likely to be either largely symbolic in character, or to be elected under arrangements that foreclose the possibility of their expressing popular demands in a serious way. If a more democratic form were to exist it is likely that it would be highly "corporatist" in character. That is, instead of representing individual citizens, elected bodies would represent hierarchically organized "interest groups" of various sorts, whose own bureaucratic structures would serve to diffuse and fragment popular protests. Even then such corporatist forms would probably be relatively precarious mechanisms of representation and would probably become largely symbolic in character.

The class struggles in societies dominated by the capitalist mode of production and the statist mode of production are thus likely to have very different characters. In the former, class struggles will tend to revolve around narrowly "economic" issues and only under exceptional circumstances become highly politicized. While in a statist society workers would still engage in demands for higher wages, better living and working conditions, and so on, such demands would immediately lose their economic character because of the institutional setting in which they were raised. The pivot of class struggles is thus likely to be the "struggle for democracy," for relatively free and open forms of political representation, for such struggles potentially call into question the class power of the bureaucratic ruling class itself.

Articulation and Interpenetration of Modes of Production

General conceptual clarifications

So far this discussion has remained at the highest level of abstraction: the analysis of modes of production as such. But as many recent discussions of this concept have emphasized, no concrete society is ever characterized exclusively by a single mode of production. Real societies always involve complex combinations of modes of production, coexisting with each other in various ways. Early capitalism, for example, involved the coexistence of capitalist, feudal, and simple commodity production, and perhaps other relations of production as well. The term "social formation" has been used to designate the specific forms of combination of

different modes of production within concrete societies. The investigation of the future of capitalist society, therefore, must involve an examination of capitalist social formations and not simply modes of production.

This distinction between mode of production and social formation has been an important clarification in the theory of capitalist society. However, the use of expressions like "articulation," "coexist," "combination," and the like, do little to clarify this issue, since these terms themselves need specification.

A beginning at elaborating the interconnections among modes of production within a social formation can be made by distinguishing between the "articulation" and "interpenetration" of modes of production. The following discussion will begin by explicating this distinction and explaining its importance. Once this is accomplished we will examine the significant forms of interpenetration between capitalist and post-capitalist modes of production.

Articulation

Articulation occurs when two modes of production exist side by side and have systematic *external* relations to each other. Typically, this implies that they exist on different turfs, and that the relations between them are largely relations of exchange. The simplest example is a situation in which capitalist factories purchase on the market at least some of their raw materials from simple commodity producers, or perhaps even from feudal (or semi-feudal) agricultural production. Such an articulation of capitalist and pre-capitalist modes of production often implies that they exist in some kind of symbiotic relation, where the capitalist production process contributes to the reproduction of the pre-capitalist relations of production through the exchange relations that bind them together. But articulation does not necessarily imply perfect functional complementarity between the articulated modes of production, and it is quite possible for the capitalist mode simultaneously to engage in such articulated exchange with simple commodity production and systematically to attack and destroy simple commodity producers.²³

23. The concept of articulation of modes of production is not restricted to articulation within the political boundaries of a particular country. Some of the most important forms of articulation in fact occur internationally. Such international articulation is a salient feature of imperialism, where the transfer of value from the periphery to the center exploits certain opportunities provided by the persistence of pre-capitalist modes of production in the Third World. International articulation of modes of production is also involved in the economic relations between the Eastern countries and the West (however one wants to define the dominant mode of production within those countries).

Interpenetration

Interpenetration occurs when two modes of production coexist within a single concrete organization of production. Elements of each mode of production are present simultaneously within a single production process. The two modes of production therefore have systematic *internal* relations with each other rather than external ones. A good example of such interpenetration is the form of artisanal labor within early capitalist factories. In many cases, artisanal wage laborers hired their own subordinates and paid them wages out of their own wages in a complex system of subcontracting.²⁴ The social relations of guild-artisan production were thus interpenetrated with the social relations of capitalist production. The result was a structure of production relations that combined aspects of each basic system.

The interpenetration of modes of production is obviously a much more complicated affair than the simple articulation of modes of production. In the case of articulation one can locate spatially distinct organizations of production and directly observe and analyze their interconnections. In the case of interpenetration, the two modes of production are internally fused and empirically appear distinct from both modes of production. The deciphering of the texture of their combination thus requires a much more energetic theoretical effort.

A given social formation will be characterized by complex patterns of articulation and interpenetration of modes of production. In many situations, in fact, there will occur what could be termed "articulated interpenetration": that is, not only can two modes of production be articulated, but a mode of production and an interpenetrated form of production can be articulated, existing side by side in different units of production engaged in exchange relations with each other. As we shall see, all of these forms of the coexistence of different modes of production are important for understanding the problem of transitional societies and post-capitalist futures.

The importance of the distinction between interpenetration and articulation

An analogy with chemistry may help to explain the importance of the concept of interpenetrated modes of production (although such analogies are always a bit dangerous). Articulation corresponds to a situation in which two basic elements coexist, for example in a solution, without ever chemically combining to form a compound. The properties of the solution are different than would be the case if only one of the

24. For a discussion of artisanal subcontracting in early stages of capitalist development, see Dan Clawson, *Bureaucracy and the Labor Process*, New York 1980.

elements was present (e.g., a difference in taste or feel), but those properties are in a sense the simple sum of the properties of each element. As a result it is a fairly straightforward task to determine which elements are in the solution. When two elements combine to form a compound, on the other hand, the situation is quite different. Here the properties of the solution must be considered "emergent" rather than simply additive, and it is no longer easy to determine which elements make up the compound in the solution. Indeed, it is because this is so difficult that the heart of chemistry as a science consists of decoding compounds, understanding the principles of the "internal relations" among elements as they combine, and the "emergent properties" of the compounds so produced.

Interpenetrated forms of production are analogous to chemical compounds. Modes of production are analogous to basic elements. To make the claim that the compound is indeed a compound and not itself a basic element – i.e. that the interpenetrated form is not itself a special mode of production – is to argue that it is made up of components that are themselves stable, with their own conditions of existence and mechanisms of reproduction. (It could happen that in nature a given element may only concretely exist in various compounds. Free-floating hydrogen, for example, might not exist in nature but is always combined with some other elements, such as oxygen to form water, and yet water could properly be described as a compound, and hydrogen as an element, if hydrogen could be stably produced as an entity with specific properties, dynamics, etc.)

Typically, then, modes of production exist in concrete societies in interpenetrated forms. While it could happen that a pure form existed, more frequently it will be "contaminated" with various residual elements of other production relations. The precise effects of the concrete relations of production "on the ground" depend upon the significance of these residual elements.

The example of artisanal subcontracting mentioned earlier might help to clarify this argument about the emergent properties of interpenetrated modes of production. Compare the following two situations of artisanal production, one characterized primarily by an articulation of modes of production and one by an interpenetration. In the first situation, artisans own their own shops, hire apprentices who eventually become master craftsmen, and sell for a market. They purchase some of their inputs from capitalist producers and sell some of their outputs to capitalist factories, and thus through the market they are articulated to capitalist production. In the second situation, artisans are partially incorporated into factory production itself, but they still own their own tools, hire their own subordinates, and in a guild-like manner control their own labor

process. Here we have the interpenetration of two different production relations. As Ron Aminzade has shown, the effects on the actors involved are dramatically different in these two situations. Where artisans are inserted in interpenetrated forms of production, they typically become among the most militant participants in the working-class movement, often assuming leadership positions; when they are simply articulated with capitalist production they are more likely to play a much more marginal role within class struggles.²⁵

The distinction between interpenetrated and articulated modes of production is thus important for understanding the dynamics and contradictions of class formation. When articulated modes of production are significant, the central problem of class formation revolves around building durable class alliances between classes determined within the different modes of production. Different concrete people live their lives within the different relations of production. Thus, for example, in the articulation of simple commodity production and capitalist production, one of the important tasks for revolutionary movements may be to forge a class alliance between the petty bourgeoisie and the working class, each of which is constituted by distinct (although articulated) relations of production. Where interpenetration of modes of production is the decisive reality, on the other hand, the different relations of production bear directly on the lives and experiences of each individual. The ideological problem ceases to be how to form alliances between different groups of individuals, but how to resolve the competing principles of class determination within each individual. Depending upon the modes of production involved and the relative weight that each plays in the interpenetrated form, such situations may either facilitate or impede the practical tasks of class formation.²⁶

The interpenetration of capitalist and post-capitalist modes of production

Having defined the central features of capitalist, statist and communist modes of production, and introduced the problem of interpenetration of

25. See Ron Aminzade, *Class, Politics and Early Industrial Capitalism*, Binghamton, N.Y. 1981.

26. The distinction between articulation and interpenetration of modes of production may be of great importance politically. For example, in the Third World today, it may make a great deal of difference whether peasants are stable smallholders articulated with capitalist production, or whether they are semi-proletarianized producers in an interpenetrated form of production. In both cases the system of production combines simple commodity production, subsistence production (production for one's own immediate consumption) and capitalist production, but the effects on the actors involved may be radically different.

modes of production, our next task is to specify various forms of interpenetration involving these modes of production. Since any given mode of production has several aspects, more than one form of interpenetration is possible even between two modes of production. When we consider possible combinations involving all three modes, the interpenetrated forms become potentially very complex.

In this analysis I will not attempt to map out all the logically possible interpenetrated forms of capitalist/post-capitalist modes of production. Even if I were capable of doing so, the result would be a tedious catalogue of hypothetical forms of production. What I will try to do is specify the content of five basic forms of such interpenetration that have particularly salient historical or political significance, and which therefore are especially relevant to the problem of specifying the futures of capitalist society:

1. State capitalist production;
2. Workers' self-management production;
3. Socialist production;
4. Party-bureaucratic socialist production;
5. Market socialism.

Before looking at each of these forms of interpenetration in detail, it will be helpful to examine their overall interconnection with the three modes of production we have been discussing. These interconnections can be visualized through a spatial metaphor, as illustrated in Figure 6.1. In this Venn diagram, each of the modes of production is represented by a circular space on a plane, and the intersections of these circles represent the interpenetrations of modes of production. Thus: state capitalist production is the interpenetration of capitalist and statist production; party-bureaucratic socialist production is the interpenetration of statist and communist production; socialist production is the interpenetration of communist and capitalist production, with the communist mode of production dominant; workers' self-managed production is the interpenetration of the same two modes of production with capitalism dominant; and market socialist production is the interpenetration of all three modes of production.

In order to keep the discussion of these five interpenetrated forms of production to a reasonable length, the analysis will be restricted to the first two aspects of modes of production discussed earlier: the mechanisms of appropriation of the surplus and the dynamics of the allocation of resources. The question of the form of the political within production and the nature of class struggles will be discussed only where it is of particular importance in clarifying the nature of a specific interpenetrated form. The analysis that follows is summarized in Table 6.4.

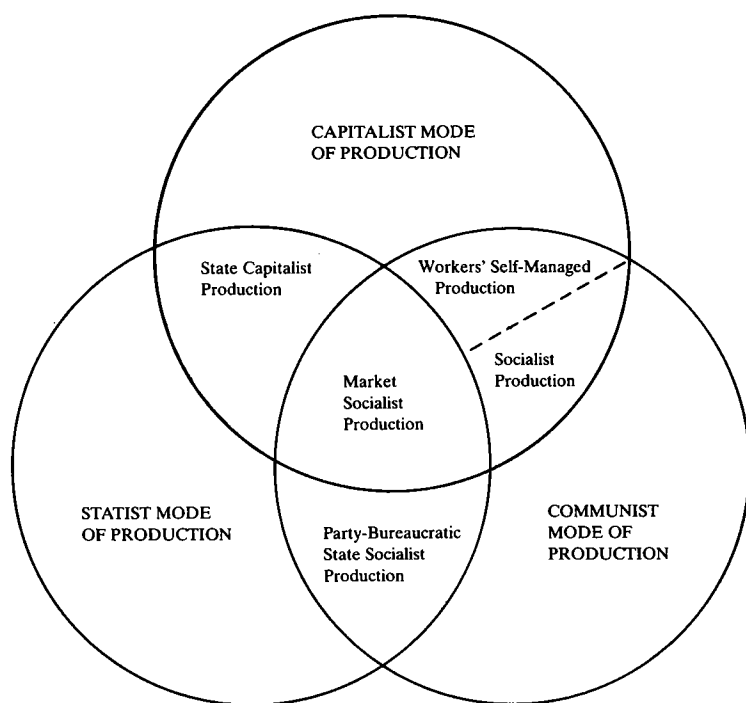


Figure 6.1 Interpenetrated Forms of Production

State capitalist production

State capitalist production constitutes an interpenetration of capitalist and statist modes of production.²⁷ Certain means of production are owned by the state, but there remains a generally free market for labor-power and for commodities. The result is that the mode of exploitation remains substantially capitalist, revolving around the difference between the value of labor-power and the value of commodities produced in the state capitalist enterprises. But this principle is modified in one critical respect: because the enterprise is owned by the state and is thus partially free from imperatives of market competition, the direct exploitation of workers in state capitalist enterprises is systematically supplemented by

27. As in our earlier discussion of statism as such, state capitalist production should not be conflated with the capitalist state. Here we are referring strictly to productive enterprises organized by the state – the state economic apparatuses – and not to the political apparatuses of the state (courts, police, foreign policy apparatuses, legislatures, etc.).

Table 6.4 Interpenetrated Forms of Production

<i>Interpenetrated Forms of Production</i>	<i>Constituent Modes of Production</i>	<i>Mechanisms of Appropriation of Surplus Labor</i>	<i>Dynamics of Resource Allocation</i>
state capitalist production	capitalism + statism	free wage labor + tax-exploitation	bureaucratic planning under market constraints
workers' self-management production	capitalism + communism (capitalism dominant)	private-collective self-appropriation	competition + accumulation (exchange value dominates use value)
socialist production	capitalism + communism (communism dominant)	wage labor + collective appropriation	collective planning with market constraints (use value dominates exchange value)
party-bureaucratic socialist production	statism + communism	party-mediated bureaucratic appropriation	party-mediated bureaucratic planning
market socialist production	capitalism + statism + communism	free wage labor + partial bureaucratic appropriation + private collective appropriation	bureaucratic planning for competition and accumulation (exchange value dominates use value)

tax-exploitation.²⁸ State enterprises need not produce a profit, and thus it is possible for the value of the commodities they produce to be equal to or even less than the value of the labor-power employed, with tax-exploitation providing the necessary compensation. In this sense the amount of exploitation within state capitalist production is directly affected by bureaucratic-political planning and, in this respect, is similar to statist production.

The dynamics of resource allocation also represent a combination of capitalist and statist elements. Production decisions involve specific combinations of bureaucratically planned use-value criteria and market-

28. For a defense of the view that taxation can constitute exploitation, see Wright, *Class, Crisis, and the State*, pp. 154–5.

determined exchange-value criteria. The precise balance between these two, and indeed which is the dominant element, depends upon the precise form of interpenetration of the two modes of production. Where the capitalist mode of production plays the dominant role, as in situations where unprofitable but essential capitalist enterprises are nationalized to prevent them from going bankrupt but continue to be run largely on capitalist principles, then the bureaucratic planning is likely to be systematically subordinate to general market imperatives. When, on the other hand, state capitalist enterprises are created out of bureaucratic and political initiatives, then politically and/or bureaucratically defined use-value criteria may dominate the planning process. What is produced and how much is produced in such cases may be dictated by the requirements of bureaucratic reproduction and expansion more than by the requirements of the market.

Workers' self-management production

Workers' self-management constitutes production in which the workers in a particular enterprise own the means of production and control the production process, and thus exercise rights over the disposition of the surplus produced by themselves within that enterprise. The mechanism of appropriation of the surplus labor can thus be designated "private-collective self-appropriation." The direct producers appropriate their own surplus labor, and they do so through a collective process of management and control over the production process. But this collective process remains essentially private in that the means of production are fully alienable and thus the surplus is appropriated by the workers in individual enterprises rather than by the working class as a whole. The mechanism of appropriation thus contains within itself both capitalist and communist elements: it is communist in that it is collective self-appropriation rather than exploitation; it is capitalist in that it is private rather than social.

The result of the private character of the system of appropriation is that the logic of the disposition of the surplus and the allocation of resources within a workers' self-management system of production remain essentially capitalist in character. Individual enterprises are still compelled to accumulate by a logic of competition, since they produce for an impersonal market and since the means of production remain private property. Because of the dominance of exchange value over use value in this form of production, and because of the private character of appropriation (albeit, a private-collective form of appropriation), in general the capitalist mode of production can be said to be dominant within this interpenetrated form of production.

Socialist production

In order to undermine the dominance of the logic of capitalist production within a system of workers' self-management, two things would have to happen: first, some mechanism would have to be created to constrain, if not block altogether, the imperative to accumulate by individual enterprises, and second, some process for making basic production decisions on the basis of socially defined use-value criteria would have to be created. These modifications would imply that property was no longer primarily private, but assumed at least a partially public character. In short, it would imply that the communist aspects of the interpenetrated modes of production had become dominant. This defines the essential character of socialist production.

The mechanism of appropriation in socialist production can be described as wage labor combined with collective self-appropriation. There is a market for labor-power, but it is not an entirely free market since the structure of wages in the market is determined by collectively defined priorities. Workers produce commodities that are sold on a market, but the free market price of those commodities is modified through collective decisions on price subsidies of basic necessities and surcharges for luxuries. Furthermore, the length and intensity of the working day, two critical ingredients in determining the amount of surplus available for appropriation, are determined through a collective decision-making process, in part located within individual units of production and in part located in a broader political arena. Thus, while surplus appropriation does involve market-mediated wage relations as in capitalism, those relations are systematically constrained by a collective process of self-appropriation, as in communist production.

The logic of the allocation of resources is also a combination of capitalist and communist elements, with communist principles dominating. Production is both for use and exchange (a market continues to exist), but use value dominates exchange values. And the content of that use-value production is determined by a collective planning process, modified by market conditions. Such dynamics of resource allocation differ from pure communist dynamics since exchange relations continue to impinge upon the process, but they differ from workers' self-management and capitalism in that exchange value is subordinated to collectively defined use-value criteria for production.

The specific combination of elements that constitutes socialist production is impossible to imagine without a political apparatus providing some degree of centralized coordination to the system of production. Furthermore, since socialist production implies the continuation of capitalist elements, although in a subordinate form, such political apparatuses would have to do more than merely coordinate; they would have

to prevent the development and reassertion of capitalist relations. That is, they would have to engage in repressive activities as well (activities which actively intervene to prohibit the development of certain practices). It is for this reason that Marxists have traditionally insisted that socialism requires a specific form of the *state*,²⁹ a state in which the principles of the communist relations of production were systematically defended and deepened. While the traditional term for such a state – the “dictatorship of the proletariat” – may no longer be appropriate, the concept behind that term is still important: for a socialist form of production (the interpenetration of capitalist and communist modes within which communism is dominant) to be reproduced over time and to develop towards communism, a state apparatus dominated by direct producers and oriented towards coordinating production and preventing the resurgence of capitalism is essential.³⁰

Party-bureaucratic socialist production

Socialist production, as just described, requires a strong state apparatus, with at least some significant centralized functions. If, for whatever historical/structural reasons, such a state develops strong bureaucratic-hierarchical forms of organization and ceases to coordinate but actually begins to direct production, then elements of the statist mode of production would become significant. As capitalist elements in the production relations disappeared or were weakened, they could be replaced by statist elements rather than by a strengthening of the communist elements.

Such a trajectory of development, however, need not imply the full consolidation of statism (although this may happen). What it might produce is a new form of interpenetrated modes of production, which I will refer to as “party-bureaucratic socialism,” one form of interpenetration of communism and statism. As in statist production, the means of

29. Political apparatuses need not be “states.” To be a state a political apparatus must have as one of its central organizing principles the monopoly of the use of force. Traditionally Marxists have argued that in a communist society the state “withers” away. Coordination functions would of course still have to be performed, but the distinctively repressive function of the political apparatuses would disappear. This claim, it seems to me, has a strong utopian element in it. I doubt very much if a society with literally no state is possible under conditions of advanced social production. But what may be possible is a state in which the repressive functions are highly attenuated, democratically organized and executed (rather than bureaucratically structured) and no longer the defining principle of political coordination. In any event, in a *socialist* society, a state would seem to be essential.

30. The term “dictatorship of the proletariat” was introduced in a time when dictatorship did not have the connotations it does today. It was meant to define a form of the state – one that dictates the interests of the working class – not a form of regime. Indeed, all of the classical writers of Marxist theory stressed that a dictatorship of the proletariat had to have a profoundly democratic form of regime, one that guaranteed much higher levels of participation and debate than was the case in capitalist democracies.

production are owned by the state and effective control is organized through centralized, hierarchical bureaucratic planning. The difference from statism is that mechanisms exist through which the bureaucracy itself is systematically tied to and subordinated to the working class. Since this mechanism is most likely to involve the role of a political party, the interpenetrated form is referred to as party-bureaucratic socialist production. The use-value criteria that guide the bureaucratic planning and appropriation process, therefore, are themselves determined simultaneously by a principle of bureaucratic domination and by a principle of working-class needs as mediated through the party. The mechanism of appropriation and the dynamics of resource allocation can thus be respectively designated party-mediated bureaucratic appropriation and party-mediated bureaucratic planning.

The claim that this form of production in fact constitutes an interpenetration of statist and communist production itself rests heavily on the argument that the party both genuinely represents the working class and effectively dominates the bureaucracy in the state economic apparatuses. If the bureaucracy becomes structurally autonomous from the party, or if the party becomes more a representative of the bureaucracy itself than of the working class, then the statist mode of production would dominate this particular form of interpenetration. If, on the other hand, the party is organically linked to the working class in communities and workplaces, if party militants are responsive to working-class demands and are effectively held accountable by workers, and if the party retains the capacity to substantially dictate priorities in the process of appropriation and disposition of surplus, then the communist mode would be the dominant one within this form of interpenetrated production.

Market socialist production

Market socialist production contains elements from all three modes of production we have been discussing, and will take different forms depending upon the relative weight of the different elements and the specific ways in which they are combined. Some forms could look very much like party-bureaucratic socialist production with marginal market principles governing certain aspects of production; others could look like state capitalism, with workers having a certain degree of effective power within the production process; and still others could look like socialist production, with the state bureaucracy partially blocking the democratic control of appropriation and resource dispositions by workers. The designation “market socialism” thus encompasses a wide range of concrete possibilities, and it is only through a rigorous assessment of the actual form of interpenetration that the real nature of this form of production can be decoded.

Social Formations and the Futures of Capitalism

The analysis presented above has attempted to decode the modes of production and their interpenetrated forms which constitute the elements of the production structure of present and future social formations. The potential futures of capitalist society can be mapped as specific combinations of these modes of production and interpenetrated forms, with different specific modes of production being dominant. In order to shift the analysis to the level of social formation, therefore, we need to give more content to what it means to claim a specific mode of production is "dominant" within a complex articulation and interpenetration of modes of production. Once we have done this we will address two important questions about social formations: first, within social formations in which the capitalist mode of production is dominant, what are the immanent tendencies of development of alternative modes of production, and, second, within social formations existing today in which the capitalist mode of production is not dominant, how can we best describe the dominant relations of production?

Dominance of modes of production in social formations

Except for relatively short periods of time it is unlikely that two modes of production can have equal weight, either within interpenetrated forms of production or in the articulation of modes of production. Since the different modes of production represent competing principles or logics of social practice, often implying contradictory dynamics or purposes, situations in which two or more modes of production have equal weight are likely to prove unstable. In state capitalist production, for example, either the logic of the market and accumulation will be the central principle with bureaucratic planning and politically defined use-value criteria operating within capitalistically determined limits, or the reverse will be true; it is hard to see how both principles (exchange value dominates use value, and use value dominates exchange value) could exert equal weight for an extended period. There will thus be systematic tendencies in any social formation for one mode of production to become dominant. What we need, then, is a criterion for identifying which mode of production is dominant.

There are two complementary criteria in terms of which we can talk about a mode of production being "dominant." First, we can identify the dominant mode of production by the ruling class within a social formation: a specific mode of production is dominant if the ruling class in the society is the dominant class within that mode of production. This, of course, simply displaces the problem, since we need some sort of

criterion for identifying the ruling class at a societal level. As a first approximation, Göran Therborn's conceptualization seems particularly useful: the ruling class is that class whose position of domination – that is, whose capacity to appropriate and dispose of the social surplus – is most systematically reproduced by the effects of the state on social relations. To say that the capitalist class is the ruling class is thus to argue that its position of privilege and domination is systematically reproduced by the activities of the state.³¹

This first strategy for defining dominance of a mode of production may be useful in analyzing the articulation of modes of production, where the classes of each mode are distinctly constituted and the only issue is which is dominant. But it is less useful for cases of complex interpenetrations of modes of production where the classes constituted by the interpenetrations themselves contain effects of different modes of production. In this situation, the dominance of a mode of production must be defined by the nature of the structural constraints and the dynamics of social change in the society. A mode of production can be said to be dominant when the structural constraints and limits specific to that mode of production characterize the most basic constraints/contradictions of the social formation as a whole, that is, when the basic limits on and dynamics of the process of social change are those derived from that mode of production. This again merely displaces the problem, since we need a way of identifying dominant constraints and dynamics. This is done by first theoretically specifying those constraints and dynamics for the pure mode of production (as Marx did for capitalism in *Capital*), and then observing empirical patterns of dynamics and constraints in a given society. To the extent that those empirical patterns can be adequately characterized in terms of the theoretically posed dynamics and constraints of a given mode of production, that mode of production can be said to be dominant. The theoretical preconditions for this task have been well specified for the capitalist mode of production, but the specification of such constraints and dynamics has hardly begun for statist production or for communist production.

These two definitions of dominance thus take two different vantage points on the effects of modes of production on societies: the first centers on the processes of *reproduction* of class relations, the second on the processes of *dynamic social change*. It can happen, of course, that these two definitions produce contradictory results. In the transition from feudalism to capitalism, for example, it is usually argued by Marxists that capitalism had become the dominant mode of production in terms of the

31. See Göran Therborn, *What Does the Ruling Class Do When It Rules?* London 1978, pp. 144–61.

logic and limits on social change long before the bourgeoisie was reproduced systematically by the state as the ruling class. This is precisely why, it is usually argued, bourgeois revolutions were needed. On the other hand, in the transition between capitalism and communism it is often argued that the proletariat becomes the ruling class – seizes state power – before communism is structurally the dominant mode of production.

Dominance, understood in this way, applies both to situations of articulated modes of production and to situations of interpenetrated modes of production. In the case of articulated modes of production, dominance implies that the terms of exchange between the two modes of production are dictated by the dominant mode of production; in the case of interpenetrated modes of production, it implies that the dominant mode of production has greater weight within the structural determination of the interpenetrated form. Thus, for example, when we analyze situations of state capitalist production, we need to ask questions about both of these form of dominance. First, within a state capitalist enterprise itself, are the capitalist elements or the statist elements dominant? Some state enterprises are run almost exactly like their purely capitalist analogues; others are run much more like state apparatuses, organized around political and bureaucratic objectives rather than market principles. Second, in the relationship between the state enterprise and capitalist production, which is dominant? Are the possibilities of action and direction of development of state capitalist enterprises fundamentally constrained by capitalist production proper, or not? Very complex patterns are thus potentially possible. It could happen that within state enterprises, capitalist elements are not dominant, and yet in the articulation with capitalist production itself, the capitalist mode of production is dominant. Such situations are likely to produce particularly sharp contradictions.³²

Immanent tendencies of “actually existing capitalism”

Capitalist societies are societies within which the capitalist mode of production is dominant in the sense described above. Within such

32. The integration of various national economies into the world system poses particularly clear forms of this contradiction between dominance within interpenetrated forms and dominance between articulated modes of production. In certain Third World countries one might argue that statist relations of productions are dominant within interpenetrated forms of state capitalist production, yet because of their articulation with capitalism in the world system, capitalist relations become the effectively dominant relations in the social formation. This is one way of re-posing the thesis of “world systems theory” that all societies within the world system are capitalist.

societies, however, there are systematic tendencies that prefigure two future forms of society: a trajectory towards statism via state capitalism, and a trajectory towards communism via socialism.

The statist trajectory is perhaps the more obvious. The massive growth of the state apparatus and its increasingly direct role in organizing pieces of social production represent emergent forms of state capitalism. To be sure, such bureaucratically organized, state-owned production processes are systematically subordinated to the needs of accumulation and face basic limits to their development imposed by the capitalist mode of production – this is in fact why we say that the capitalist mode of production remains unquestionably dominant within such interpenetrated forms – but nevertheless they constitute embryonic forms of genuinely non-capitalist relations of production.

The communist trajectory is somewhat less striking, but nonetheless important. As Marxists have always argued, the increasingly interconnected “social character” of the production process, when combined with increasing literacy, education, and forms of communication among workers, makes socialized production increasingly more viable as an alternative to privatized property relations. In such a structural context, the tentative movements toward limited forms of workers’ participation, especially when they involve real elements of self-management and the struggles for democratization of state bureaucratic institutions, represent the development of embryonic elements of communist relations of production. Particularly when the demands for workers’ self-management are extended to include the effective capacity to veto important investment decisions – such as plant closings – as has been discussed in Sweden, such changes can be viewed as augmenting non-capitalist elements within the dominant capitalist relations of production. Again, as in the case of state capitalism, the form and possibilities of such workers’ self-management are heavily shaped and limited by the imperatives of accumulation and competition. Thus, in the foreseeable future, such tendencies are unlikely, in any spontaneous way, to threaten the actual dominance of the capitalist mode of production and inaugurate the consolidation of a post-capitalist society.

The critical proviso is, of course, “in a spontaneous way.” Capitalism will not be replaced spontaneously, but through the organized, collective struggle of classes. The question then becomes: which of these tendencies in advanced capitalist societies is more likely to be seized by organized class forces? Historically, revolutionary movements in backward capitalist societies have tended to produce either some form of state capitalism or party-bureaucratic socialism. This does not imply that such revolutions were launched (necessarily) by an organized, state bureaucratic class, but the consolidation of such a class in one form or another

has often been the ultimate result of such revolutions.³³ Whatever might have been the intentions of the revolutionaries themselves, the creation of important aspects of statist production has become an important reality in post-revolutionary societies, even though statism may not be the dominant mode of production in those societies. Is the outcome likely to be the same in advanced capitalist societies?

At first glance, the statist tendencies would appear to be the most powerful and likely trajectory of capitalism's futures. First, the proportion of the total social product that passes through the state has increased considerably, reaching 50 per cent or more in some capitalist countries. This means that even though this has not yet developed into systematic anti-capitalist principles of allocation, a material basis for such a development is being laid.

Second, the substantial growth of professional, technical and managerial occupations in both the state and private sectors could be viewed as creating a broad social base for the kind of technical bureaucratic rationality that the emergence of statist production would represent. It certainly is the case that the expansion of such occupational groups in recent decades has been closely linked to the expansion of the state. It has been shown that if the state had not grown in terms of relative employment in the decade of the 1960s, for example, there would have actually been a decline of "semi-autonomous employees" in the United States during that decade.³⁴

Third, at the ideological level, there has been a gradual shift within capitalism from a system of legitimation based largely on rights to private property and claims that socialism is immoral, to a system based on claims of the technical rationality of capitalism compared to other alternatives. Such claims, however, are a double-edged sword, for they suggest that decisions should be made by experts rather than by property-holders. Such technocratic principles of legitimation can also serve, under conditions of prolonged capitalist stagnation, to support the strengthening of statist relations of production. To some extent, there-

33. Such a consolidation may have been historically unavoidable in many cases. Statism as a mode of production is oriented around accumulation rather than consumption, and given the economic backwardness of these countries, a growth-centered system of production was probably necessary. In any event, nothing in the present analysis should be taken as implying that a revolutionary break with capitalism in a Third World country that leads to a strengthening of statism is not progressive. It could well be that a socialist transition in such societies under the given historical conditions was "utopian," and that the most progressive real alternative to capitalism - progressive in the sense of opening up the maximum possibilities for social and human development - was some form of statism.

34. These data are reported in Erik Olin Wright and Joachim Singlemann, "Proletarianization in American Class Structure," *American Journal of Sociology*, vol. 88, supplement, 1982.

fore, the ideological basis for a statist trajectory has been partially laid within capitalism itself.

Finally, virtually all politically significant oppositions to capitalism have traditionally sought solutions to capitalist contradictions that center on the strengthening and development of various forms of state intervention and control. This is true of traditional social democracy, liberal reformists, and parliamentary communist parties. The political parties committed to a socialist future have, wittingly or unwittingly, adopted strategies and objectives that are more consistent with building a statist future.

With this array of factors tending to strengthen statism as a future to capitalism, it is hard to be exuberantly optimistic about the prospects for socialism as a transition to communism. Yet, I think that there are important counter-tendencies, factors that can be strengthened as part of the strategic agenda of the left. First of all, I think that it is very easy to overstate the potential class basis for the consolidation of statism. The top leadership of the state productive apparatuses within state capitalist enterprises is extremely well integrated into the bourgeoisie socially and ideologically, and in many ways economically as well. The people in such positions are very unlikely to function as a vanguard for the advent of a statist mode of production within capitalist societies. For statism to become the real future of capitalism, therefore, it will need to be generated by social movements opposed to the elites within the state economic apparatuses themselves.

Secondly, while it is true that the expansion of the state has contributed greatly to the expansion of "middle strata," it is equally true that within the state sector itself there has been a process of proletarianization of state employees, of reductions of autonomy and control.³⁵ This implies that at least potentially there is considerable room for organizing a working-class movement that transcends the boundary between public and private employment as the conditions of work become similar in both institutional settings. Thus, while the social basis for statism may be growing, the social basis for socialism is expanding as well.

Thirdly, even though socialist and communist parties continue to orient the heart of their programs around demands that are either compatible with the reproduction of capitalism or supportive of statist alternatives to capitalism, there is increasing discussion on the left of the problem of democratization of all spheres of social life, of the problem of workers' control and quality of life, and so on. To the extent that such

35. See *ibid.*

demands move closer to the core of practical left politics, then the struggle within capitalism will itself begin to forge elements of the socialist alternative to capitalism. And if embryonic communist relations – interpenetrations between communism and capitalism – are forged by struggles within capitalist society, then it is more likely that the struggle against capitalism will itself generate a socialist transition.³⁶

The dominant mode of production in “actually existing non-capitalism”

The analysis of this chapter will hopefully contribute to a clarification of the debates on “actually existing socialism.” If we accept the categories developed in this chapter, then in purely descriptive terms such societies can be characterized as social formations structured by an interpenetration of the statist mode of production with the communist mode of production and at least some elements of capitalist production as well. Such societies could thus generally be described as party-bureaucratic socialist societies with limited forms of market relations.

The question then becomes: within this complex interpenetrated form of production, which mode of production is dominant? Can we argue that at least in the Soviet Union the non-statist elements are of such residual importance that we have a fully developed example of a statist society? Or is it the case that communist relations, or possibly even capitalist relations, are sufficiently central to the system of production that even in the Soviet Union statism is not yet the dominant mode?

If our discussion of the party-bureaucratic socialist form of production is theoretically satisfactory, then the answers to these questions ultimately boil down to a question of the precise nature of the party, of its links to the working class and to the bureaucratic apparatus of production. At least some theorists are prepared to argue that these relations are such that communist relations are either an important aspect of Soviet production relations or even the dominant aspect. For example, Göran Therborn suggests in his analysis of the character of the party in the Soviet Union that the form of leadership in the Soviet Communist Party – what he calls cadre leadership – is deeply non-bureaucratic in

36. This does not imply, one way or another, that the transition to socialism can be accomplished as a smooth, incremental, or peaceful process. In fact, I believe that for *both* statism and socialism, at some point a revolutionary rupture with capitalism would be necessary, although it seems implausible that such a rupture would take the form of an armed assault on the state.

character, and by virtue of its role in mobilizing the working class, it sustains real and effective ties to that class.³⁷ If this account is correct, then in spite of the authoritarian form of the regime in the USSR, the communist mode of production could be said to dominate the interpenetrated form of production in that society. Al Szymanski takes an even more radical position and argues not only that the party remains a genuinely proletarian instrument, but that the political apparatuses of the state are fundamentally democratic in ways that ensure that the bureaucracy is effectively subordinated to the working class.³⁸ The effect of this, Szymanski argues, is that social and economic inequalities in the Soviet Union (measured both in terms of outcomes and opportunities) have steadily declined over the past several decades, a decline which would probably be inconsistent with the dominance of any class-exploitative mode of production.

Other writers have argued that the links to the working class by the party are weak and that in any event they are not of a form that allows the working class to hold the party accountable to its interests in any serious way. If anything, it is claimed, the party is an instrument of the bureaucracy (or, alternatively, that the two are so intertwined that they form a single apparatus). If this account is correct, then the statist mode of production would be the dominant one, and any claim to being socialist would be of a purely propagandistic character.

I do not have a sufficiently deep knowledge of the social reality in the Soviet Union to make a rigorous judgment on this issue. The weight of the evidence is such, however, that it is difficult to see the Soviet Union and similar societies as having dominant communist relations of production within a party-bureaucratic socialist form. However, I do not think that accounts that simply reduce such societies to a statist mode of production (or any other mode of production) are satisfactory either. If for no other reason, the contradictory character of the international role of the Soviet Union, sometimes very progressive, other times undermining progressive social movements, suggests that the class relations within the Soviet Union cannot be considered exclusively statist. In any event, the important point in the present context is that an adequate assessment of the relations of production and class structure of the Soviet Union and other similar societies must rest on a careful empirical decoding of the forms of interpenetration and articulation of modes of production. Within such an investigation, the possibility of the existence of a statist mode of production must be entertained.

37. Therborn, *What Does the Ruling Class Do?*

38. Al Szymanski, *Is the Red Flag Flying?* London 1979.

Implications for Historical Materialism and Socialist Practice

If the arguments advanced in this chapter are sound, certain features of historical materialism will have to be changed. One of the central thrusts of historical materialism has always been that historical development occurred along a single developmental trajectory. While there are ambiguities about the character of this trajectory in precapitalist societies, the overall trajectory is clear: primitive communalism to precapitalist class societies to capitalism to communism (with socialism as the transitional phase). There may be reversals, and possibly under certain circumstances stages can be skipped, but there is only one road. It is for this reason that historical materialism is often considered a teleological philosophy of history with one final state inexorably pulling social change towards it.

We have now suggested that there are branches in the road, alternative destinations for capitalist society. Of course it is possible that the fork is just a detour: communism may be the only future to statism, and thus ultimately the different paths rejoin. But introducing the possibility of radically different paths also brings into question the inevitability of a single final destination.

Such qualitatively different structural alternatives as futures to existing social structures implies a different relationship between social structural determination of outcomes and conscious social practices. Marxists committed to the traditional theses of historical materialism have usually argued that structural determination and contradictions must be given primacy over conscious class practices in understanding historical development. How much primacy, of course, is a frequently debated matter. Few Marxists argue any more for a purely mechanical unfolding of structurally given outcomes. But typically it is argued that social structural factors are of the greatest importance. This is what Marx implied when he stated that "history is the judge, the proletariat the executioner" in describing the role of class struggle in destroying capitalism.³⁹ And it is what G. A. Cohen means when he states that in Marxist theory class struggle is of "immediately secondary" importance.⁴⁰

If the strategic choices of class actors influence not only the rate of social change, the delays on the road, the possibilities of reversals, and so on, but the actual destinations, then this traditional conception has to be modified. At a minimum a distinction would have to be made between

39. Cited in Cohen, *Marx's Theory of History*, p. 150.

40. G. A. Cohen, "Reply to Elster on Marxism, Functionalism, and Game Theory," *Theory and Society*, vol. 11, no. 4, 1982.

two kinds of situations of class struggle: situations in which strategic moves have effects on trajectories of future change and situations in which class struggles only affect the secondary processes within a given trajectory. This implies that the relationship between structural determinations and practices is historically variable rather than constant. A central task of Marxist theory would then be to try to analyze the conditions of such variability.

This is not to suggest, of course, that the critical strategic choices that have systemic effects on future structural changes are themselves undetermined, that they are unexplainable or somehow acts of pure will. The alternative to the teleological structuralism of the evolutionary theory of successions of modes of production is not voluntarism. Rather, the argument is that such strategic choices cannot in any way be themselves derived from the dynamics, properties, limits, contradictions, etc. of modes of production themselves. (If they were so derivable we would be back to a teleological account and the strategic choice would have been an illusion.) To understand the process of their determination we must examine other kinds of relations which are themselves irreducible to modes of production: cultural determinations, psychological processes, etc. The analysis of modes of production remains essential to this enterprise, since the decisive alternatives that are historically possible revolve around the system of production and appropriation. Class structure remains the key *stake* in projects of fundamental social change, since class power defines the ways in which resources are made available for social use and development. But, if the arguments of this chapter are accepted, then the theory of modes of production can no longer be considered an adequate guide to the actual patterns of social change.

These consequences for historical materialism also have important implications for socialist practice. If socialism were the only alternative to capitalism, then being steadfastly anti-capitalist would be equivalent to working for socialism. After a revolutionary rupture this implies that the central preoccupation of revolutionaries would be vigilantly to prevent the restoration of capitalism. If they succeeded in that endeavor, then socialism would necessarily be assured. Before a revolutionary rupture it implies that relatively little attention has to be given to forging positive preconditions for socialism. The important thing is to mobilize sufficient power to challenge capitalist power.

The basic political message of this chapter is that socialists must be much more self-conscious about the character of the alternative they are struggling for, both within capitalist societies themselves and after revolutionary breaks with capitalism. In advanced capitalist countries this means that projects for socialist transformation should be militantly democratic. Demands should center not simply on the provision of

various services by the state and various state regulations of capital, but also on the active democratization of the forms of delivery of such services and the forms of administration of such regulations. To take just one example, in the area of occupational safety and health, the socialist demand should be not simply for tougher state regulations, but for direct worker participation (and ultimately control) over the setting of standards, the investigation of abuses, and the adjudication of violations. This does not imply that the gradual institutionalization of such demands would itself constitute a socialist revolution. The problem of the political form of a socialist rupture with capitalism has not been addressed at all in this chapter. But it does imply that however such a rupture occurs, if the outcome is to produce a transition to communism rather than a consolidation of a statist mode of production, anti-capitalist struggles must be self-consciously anti-statist as well.⁴¹

41. This is not a call for anarchism or for a reliance on "self-help" strategies. The state will play an essential role in any conceivable socialist transition, both because of the need for repression and because of the need for an institutional apparatus of centralized coordination. And in capitalism itself, the state plays an important redistributive role. If popular social movements attempt to entirely side-step the state through self-help projects they inevitably end up with meager resources. The bourgeois democratic form of the capitalist state allows for certain margins of real redistribution to occur, and the goal of popular movements should be to create a sufficiently strong political base to be able to win redistributive victories and to control the use of redistributed resources.