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Mike Donaldson
miked51@bigpond.com

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Abstract
Reflecting on Capital again allows one to place it within the arc of Marx’s unfolding work on social formations and modes of production in a wide variety of times and places. In this article, I show how Marx’s detailed and incisive analysis in Capital of the capitalist mode of production, its origins, functioning and future, made him more keenly aware of other modes of production and of their possibilities in a better future.

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‘THE RIDDLE OF HISTORY SOLVED’: SOCIALIST STRATEGY, Modes of Production and Social Formations in Capital

Mike Donaldson

Reflecting on Capital again allows one to place it within the arc of Marx’s unfolding work on social formations and modes of production in a wide variety of times and places. In this article, I show how Marx’s detailed and incisive analysis in Capital of the capitalist mode of production, its origins, functioning and future, made him more keenly aware of other modes of production and of their possibilities in a better future.

In Volume I of Capital, Marx essentially deals with modes of production in Western Europe, concentrating on Britain, although he had earlier made it clear in Grundrisse (1857), as had Engels in drafting the Manifesto of the Communist Party (1848), that capitalism co-existed with a number of other social formations and that it was itself constituted by a number of modes of production in articulation. He identified common features in a wide diversity of non-capitalist modes of production including productive property in common, substantial autonomy in work and the absence of alienation.

Slavery is not like this, but after its eclipse by the capitalism it helped to create, it has persisted to this day, frequently articulated with the domestic mode of production. The domestic mode, although substantially eroded in its articulation with the capitalist mode, remains powerful within the capitalist social formation not only because of its crucial role in social reproduction. It is vital to the formal economy itself, is the source of unpaid voluntary work that underpins much of civil society and remains the basis of a robust peasant political economy which Marx (1885) addresses in Volume II.
Marx’s appreciation of non-capitalist modes deepened still further after *Capital*, particularly in his *Ethnological Notebooks* (1880). In these, he agrees with the jurist Henry Sumner Maine that communal modes of production are an ‘obstacle and a challenge’ to capitalist social relations (Anderson 2010: 205). He notes approvingly Maine’s consideration that:

> It is one of the facts with which the Western world will someday assuredly have to reckon, that the political ideas of so large a portion of the human race, and its ideas of property also, are inextricably bound up with notions of family interdependency, of collective ownership, and of subjection to patriarchal power (Maine 1875: 2-3 in Anderson 2010: 205).

But even further than this, he canvasses the idea that non-capitalist modes may be valuable in the formation of socialism, and may indeed ‘serve as the point of departure for a communist development’ (Marx and Engels in Shanin 1983:139).

**Capitalism and Non-Capitalist Modes of Production**

The word ‘capitalism’ appears only twice in Volume I of *Capital*, but as Marx (1867: 6) explained in its introduction, he was setting out to ‘examine the capitalist mode of production’. A mode of production is ‘a definite form of expressing [peoples’] life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and how they produce’ (Marx and Engels, 1845/2001). It encapsulated ‘the specific form in which unpaid labour is pumped out of direct producers [that] determines the relationship of rulers and ruled’ (Marx 1893/1978: 919).

In the first volume of *Capital*, Marx investigates the development of capitalism with reference to the modes of production extant in Britain and focuses on Western European development:

> The expropriation of the agricultural producer, of the peasant. From the soil, is the basis of the whole process [of primitive accumulation]. The history of this appropriation assumes different aspects in different countries, and runs through its various phases in different orders of succession, and at different
historical epochs. Only in England, which we therefore take as our example, has it the classic form (Marx, 1867: 876).

Twenty years before *Capital* appeared, in both drafts of *The Manifesto of the Communist Party*, Engels had distinguished working class people who survived from the sale of their labour power, from three classes of ‘direct producers’: the almost four million people enslaved in the south of the United States of America who were accounted as property not persons; the many millions of serfs in Hungary, Austria, Poland and Russia; and handicraftsmen and manufactory workers who constituted a substantial part of the urban population in England and who, like serfs, and in distinction to slaves and to the working class, had some independent access to and some control over limited productive resources (Engels 1847a/2004: 108; Engels 1847b/2004: 141-142).

In listing these distinct but contemporaneous modes of production and in differentiating them from each other, Engels was indicating that there were a number of different modes of production created by these different classes which, in articulation with each other, constituted the emerging capitalist social formation. Marx (1857-58) himself makes this point more profoundly in the *Grundrisse* where he develops an approach to human history more multilineal than in the *Manifesto* including a discussion of three non-capitalist modes, the Asiatic, Greco-Roman and Germanic which developed in quite different ways to the political economy of Western Europe. In his discussion of the Asiatic mode he finds linkages and commonalities between non-capitalist ways of life in China, India and Russia, all of which he terms ‘Asiatic’, and he also relates their ‘original unity’ to the Western European precapitalist village:

There [in India and China] the broad base of the mode of production is formed by the union between small-scale agriculture and domestic production, on top of which we have in the Indian case the form of village communities based on common property in the soil, which was also the original form in China (Marx 1893, *Capital* Vol. III: 451; See Anderson 2010, particularly Chapter 5, for Marx’s elaboration of these three modes).

Along with property in common, the producers also shared substantial autonomy in their work because they were not alienated, had not been separated from the conditions of their own livelihoods.
Domestic Labour, Slavery and Contemporary Social Formations

In *Capital*, Marx showed how various methods of appropriation of labour came into play to create industrial capitalism itself while simultaneously delivering its ascendancy over other modes, including over the domestic mode of production vital to its emergence and to its continuation. Centred on the family-household, the domestic mode of production has a very long history, vastly pre-dating and more than likely post-dating capitalism. In its articulation with a variety of modes of production, it has been modified by, but has survived, all of the social formations of which it has been constituent. For instance, typically, and well-beyond Polynesia, slavery meant domestic slavery, whereby slaves augmented the labour power of kin constituting the family-household (Klein, 1986: 1). The majority of contemporary slaves are involved in the domestic mode of production where their exploitation is specific, direct and personal. As Marx (1867: 173) himself explained, ‘direct relations of dominance and servitude’ characterize non-capitalist modes. The slave mode of production was not a creation of capitalism, which crucially depended upon this pre-existing mode to bring itself into being (most specifically on the proceeds of the infamous slave trade which Marx heartily detested), for ‘out of the death of slavery a new life at once arose’ and ‘the veiled slavery of wage-labourers in Europe needed the unqualified slavery of the New World as its pedestal’ (1867: 192, 925).

But, while European capitalism ‘needed’ slavery, it neither evoked it nor totally displaced it, for it once existed apart from the capitalist mode of production and remains extant within the capitalist social formation. Forms of slavery existed into the 20th century in Thailand, unconquered by the Europeans, most notably in the form of debt-slavery whereby one became the property of a creditor until the debt was worked off. War-captives, the children of slaves and people who had been given to a monastery in perpetuity, knew no such redemption (Terweil, 2005). The recandescence of slavery in Europe currently, brings the global slave population to at least 27 million, according to exhaustive research in Kevin Bale’s (2004) book *Disposable People*. According to the International Labour Organization (2011), other forms of unfree labour encompass 12 million people who create profits of US$44 billion per year.
In deploying this form of analysis in *Capital*, Marx discovered that the spread of capitalist relations of production in British agriculture caused the dissolution of small-scale peasant production within which mode family-households undertook wage labour as a last resort, relying instead on the production of use values and the sale in the nearest market of any surplus they produced. He also found that this process of dissolution does not have a single character. The capitalist mode of production becomes hegemonic within the capitalist social formation slowly and unevenly. It grew out of and articulated with pre-existing modes. In attaining its dominance, it dissolves some elements and conserves others, a process evident not only in its origins but in its rapid spread to all parts of the world. For example, when *Pax Australiana* conquered the highlands of Papua New Guinea, it rapidly extinguished some social institutions, such as tribal fighting and cannibalism, but retained others, such the big-man and the men’s-house, because of their crucial role in controlling the lives of women who continue to undertake the bulk of agricultural work and are responsible for creating the bulk of the social surplus (Donaldson, 1982).

The domestic mode of production, too, has been simultaneously eroded and conserved in its articulation with the capitalist mode. It is crucial not only for its longevity, but also because of its powers of production and reproduction, generally involving simple commodity production, the production of use values, and often the sale of surplus use values in a market. Outwork, whose ‘invisible threads’ (Marx, 1867: 591) bind an army of home workers to the commands of capital, is as old as capitalism itself and is one of the many ways the domestic and capitalist modes articulate. A decade ago, there were 330,000 identified outworkers in Australia (Greig, 2002: 9) whose total effort, however, is less significant than the labour of social reproduction – the production of social relations, human life, social assets and values – which is just as essential to the survival of most Australians as is wage labour. When Marx (1867: 397, 404) noted in *Capital* Vol I that ‘capital presupposes wage labour; wage labour presupposes capital. They reciprocally condition each other’s existence; they reciprocally bring forth each other’, and that ‘incessant reproduction, this perpetuation of the worker, is the *sine qua non* of capitalist production’, he was writing of the unceasing and mostly unpaid labour of social reproduction without which the existence of wage labour (and hence of the capitalist mode of production itself) is not possible, at least as it is currently constituted. Only 45% of the 706.3 million hours
that Australians worked in 1997 involved paid work; 55% was unpaid activity including housework, childcare, shopping and volunteering (Ironmonger, 2000: 61, 62; Bittman, 2000: 111).

The time spent in unpaid voluntary and community work in Australia was greater than that spent in finance and business services and almost equalled that spent in the manufacturing sector. Volunteers donated about $37 billion worth of time and services to other households, directly or through organisations and groups (Ironmonger, 1998: 20; 2000: 69, 70). Estimates vary, but probably about two out of three adult Australians are involved in formal or informal voluntary activities. Just over half contribute unpaid time to a group or organisation, and about a quarter are active in two or more (Hughes and Black, 2002: 62). Calculations based on various wage rates and time-use data, put the value of total unpaid production in Australia at between 50% and 69% of the recorded Gross Domestic Product or about 40% of the total economy (Donaldson, 1996: 47; Ogle, 2000). This work outside the wage-relation is necessary for the existence of the working class, according to Capital Vol I to ‘reproduce the muscles, nerves, bones and brains of existing workers, and to bring new workers into existence’, to develop, accumulate and transmit skills from one generation to the next and to care for those preparing for or unable to engage in paid work (Marx, 1867: 398, 399).

Rooted in the domestic mode of production, the peasantry constituted 80 percent of humanity in 1950, according to Eric Hobsbawm in The Age of Extremes (1996). Today, family production and the sale of its surplus remains the way of life of more than half the world’s population, even while the Communist Party of the Peoples’ Republic of Vietnam decided at its eleventh National Congress to accelerate the rate proletarianisation and reduce the peasantry to less than 50% of Vietnam’s population (Bernstein, 2002; Donaldson, 2012). Capital Vol. II includes discussions of ways of life among the peasantry in countries were capital’s rule had been well established but where peasant production based on the family economy was the mode of production for most of the population, including in India, Ceylon, China, Russia, Peru and Arabia.

Progressive Potential of Non-Capitalist Modes

Not only was Marx concerned with the articulation of modes within the capitalist social formation, his appreciation of non-capitalist formations
in themselves, already clearly evident in *Grundrisse*, deepened and broadened still further after *Capital*. His *Ethnological Notebooks* written between 1880 and 1882, not long before his death, deal with the social relations and contradictions inherent in a wide variety of modes, including those already discussed in *Capital* as well as in Indonesia, Australia and pre-invasion America. Penned after his and Engels’ analysis of the failure of the Paris Commune and at the time of his correspondence with the Russian revolutionary Vera Zasulich about the progressive potential of the *mir or obshchina*, the village commune, the *Notebooks* discuss the family-household, work, kinship and their organisation, particularly in relation to the state. In them, he maintains that communal modes, while unequal and hierarchical, ‘provide a basis for collective interaction and reciprocity that are not only valid in their own right, but which could become a foundation for a future socialist society’ which would avoid the rapacity of primitive accumulation which he had so assiduously detailed in the first volume of *Capital* (Anderson, 2010: 197, 230). He advised Zasulich that his proudest achievement, *Capital*, does not contain a theory of uni-directional history where Western Europe is the template for the world, and that the rural commune in Russia was a valuable and regenerative mode of production (Hudis, 2010: 82, 85). The communal modes in colonized India and Algeria about which he had read widely, on the other hand, had retained less vitality under the brutal impact of capital’s articulation while providing a bulwark against it (Anderson, 2010: 233).

Hardt and Negri (2000: 120), in misunderstanding the nature of modes of production and in failing to appreciate their lack of singularity, are wrong to assert that when writing on India and the Asiatic mode of production, Marx obliterates ‘the conception of difference in Indian society’ in favour of a unilinear Eurocentric conception of ‘progress’. In fact, as Irfan Habib (2006) and other Indian writers have pointed out, writing in 1853 Marx was the first major European thinker to support India’s independence. In fact, it is Marx’s work on modes of production and social formations that resolves the very difficult political problem of ‘total subsumption’ that Hardt and Negri (2000) themselves pose. They consider all life, work and human activity, to be totally subsumed by capital. For them, under conditions of real subsumption there is no ‘outside’ to capitalism. The capitalist mode of production is in and of itself entirely encapsulating and completed. There is no possibility for people to undertake work outside of commodity relations, no ‘where’ in
which people can undertake non-commodified activity, no way for workers to escape the commodification of themselves or what they produce. The inside and outside ‘are nowhere to be found, and hence any politics of use value, which was always based on an illusion of separability, is now definitely inconceivable’ (Hardt and Negri, 2000: 209; Southall 2010: 165).

But what Marx explains is that the capitalist social formation is constituted by more than one mode of production. In Volume I, for instance, he even cracks a joke about Mr Peel who:

… he moans, took with him from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000. Mr Peel had the foresight to bring with him, besides, 300 persons of the working class, men, women, and children. Once arrived at his destination, Mr Peel was left without a servant to make his bed or fetch him water from the river. Unhappy Mr Peel who provided for everything except the export of English modes of production to Swan River! (Marx 1867: 538).

The point is that the 300 absconders had alternative modes to exit to, more than likely to self-employment on the gold fields or to peasant farming.

More directly, Marx had earlier discussed in the *Grundrisse* (1857: 325-326) how freed slaves in Jamaica declined paid work on the English plantations and instead:

content themselves with producing only what is necessary for their own consumption and alongside this use value, regard loafing (indulgence and idleness) as the real luxury good; . . . They ceased to be slaves, not in order to become wage labourers, but instead self-sustaining peasants working for their own consumption.

Marx (1893/1978: 690, 677, 801, 805, 806) points out in *Capital* Vol. III that the articulation of the peasant economy with the predominant capitalist economy means a structured transfer of value from the former to the latter. While capital accumulation certainly transforms non-capitalist modes, it may conserve rather than dissolve them, and ‘this transformation can take various forms’ for capital’s ascendancy ‘as an independent and leading force in agriculture does not take place all at once and generally, but gradually and in particular lines of production’.
Capital conserves aspects of non-capitalist modes because they produce a huge variety of products which it commodifies, including labour power itself. It is possible (indeed likely) for one to be subsumed with the capitalist social formation, even when actively creating and sustaining ways of being that oppose it, for the articulation of modes as relations of dominance is not given, but is uncertain and contested.

Even today, there exist within the capitalist social formation modes of production which are not capitalist, such as some forms of peasant production, family production, hunting and gathering, co-operatives and collectives, where non-commodified social relations and activities can and do exist. Furthermore, these may be anti-capitalist and at the same time are a repository of use values which capitalism itself relentlessly (and often successfully) tries to appropriate.

**Political Significance**

In the end, what does it matter if the capitalism of *Capital* is a social formation comprising a number of articulated co-existing modes of production, or is a mode of production *tout-court*? It is significant in at least two ways - in terms of immediate political strategy and in terms of the construction of a socialist future. In the latter case, in the Afterword to the Second German Edition of *Capital* Vol. I, Marx gets snarly at one of *Capital*’s reviewers for expecting him to write ‘recipes (Comtist ones?) for the cook-shops of the future’. But anyway, there have been several recent attempts to do almost this, most notably by the Parecon movement in North America, identified with Z Magazine’s Michael Albert, usefully surveyed in Chris Spannos’ *Real Utopia* (2008). And Erik Olin Wright’s *Envisioning Real Utopias* was described on its cover by Göran Therborn as ‘a benchmark contribution’ to this interesting literature.

Nonetheless, it is axiomatic in much socialist thinking that new socialist ways of living and being in the new world will emerge in the process of creating it. Maybe revolution is not a process but an event during which novel and durable forms of human relationships and social institutions will develop in the white heat of insurrection. But while I happily sang along this May Day in the words of the 1915 IWW anthem ‘Solidarity Forever’ that ‘We can bring to birth a new world from the ashes of the old’, ashes are a fairly limited construction material. At best, then, this
The axiom is circular, because are not the toiling masses even now in the process of creating the new world? And if we are not, when does the insurrection start? Marx (1867: 171-173) himself after discussing ‘Asiatic, Classical-antique and other such modes of production’ in Volume I of Capital suggests ‘Let us finally imagine, for a change, an association of free human beings working with means of production held in common’ in which ‘production by freely associated human beings stands under their conscious and planned control’. In imagining how to go about building a fair, just and compassionate society, I don’t see why socialists should ignore 200,000 years of non-capitalist human history, or consider that there is nothing in the world today worth taking into the future.

*Capital*, when read as a brilliant account of one particular mode of production, forcefully brings to the attention that it is one mode of production out of many, that articulations are various within social formations, that the dominance of one mode over the others is difficult to achieve and to maintain, and that new modes of production are created out of existing ones. Parts of the past that is our present will then survive into the future. How people live right now, what social relations and institutions they create outside the wage-relation, in the community and in civil society, matters, not least because of the immense economic significance of these areas of human life, but also because, in a revolutionary upheaval of whatever sort, non-capitalist modes will become more significant, not less. Family-households and family businesses are already the main drivers of a vast underground economy even now expanding in savoury and unsavoury ways as the crisis deepens. In 2002-2003 the shadow economy already accounted for from an estimated 8% of the GDP in the USA to 68% in Georgia and averaged 35% across 145 countries. In Australia, it cost the Government about $15 billion per year in lost taxes (Schneider, 2006; Donaldson, 2010).

The importance of understanding modes of production and social formations in contemporary political strategy is that alliances of classes across modes are crucial in destroying or even in significantly reducing the powers of capital. Gramsci, for instance, identified many different strata within the urban petty bourgeoisie, including artisans (the self-employed trades and those employing not more than five workers), industrial small owners, shopkeepers, merchants, professionals (*e.g.* lawyers, accountants, doctors) most of whom exist because of their connection to the family-household, to an articulation of capitalism with
the domestic mode of production. The couple who run the newsagency, the tradie whose partner does the financial management and secretarial work, the horticulturalist who operates out of her back yard, are legion. Gramsci considered them to be important in Italy in the 1930s because of their relative size, their national dispersion, their strong sense of their own detachment from class relations and as the social basis of both organic and traditional intellectuals who were particularly significant in conservatively cohering the rural population. Failure to take them seriously as a suitable class ally, and indeed at times open hostility to them, as Gramsci ruefully admitted, cost the Communist Party of which he was General Secretary and the anti-capitalist forces which it sought to lead, dearly. Their weight proved decisive in the balance of the social forces (Davidson, 1977: 249–250; Donaldson, 2008a). Certainly the lesson of successful working class action in contemporary regional Australia is that defeating a determined foe without them is probably not possible (Donaldson, 2008b).

Similar is the significance of the peasantry. With diversified production, peasant family-households maintain a degree of autonomy in relation to capitalist markets. They are able to use their products as both exchange values and use values (Marx, 1893/1978: 690, 677, 801, 805, 806). Between the productive property-owning peasantry producing on the family-household basis and the rural proletariat who work for them, there exists a wide range of differing combinations of independent production and wage-labour, a variety of forms of articulation. Written shortly before his arrest in 1926 and in the absence of most of Marx’s work, Some Aspects of the Southern Question deepens Antonio Gramsci’s appreciation of the peasantry even while referring to them as an ‘amorphous, disintegrated mass’. It falls far short of the insights of his contemporary Mao Zedong, whose classic work How to Differentiate the Classes in the Rural Areas (1933) is penetrating and succinct, firmly grasping the fact that the peasantry within capitalism constitute a mode of production containing antagonistic classes while never doubting the radical potential of its vast majority without whom the working class could never break its own shackles, let alone bury capitalism.

**Looking Ahead**

The intensifying current crisis will strengthen class cohesion, produce
surprising class allies, create new forms of articulation, exacerbate class antagonism and encourage the emergence of modes in addition to those briefly discussed here (Donaldson, 2010), and we know far too little about articulations between non-capitalist modes out of which they may come. No doubt, Marx will prove correct again in this regard for, as he remarked in reflecting on the Paris Commune in the Civil War in France (1871), ‘It is generally the fate of completely new historical creations to be mistaken for the counterparts of older, and even defunct, forms of social life, to which they may bear a certain likeness’.

Mike Donaldson was for many years Head of the Sociology Department at the University of Wollongong. His books include Time of Our Lives: Labour and Love in the Working Class and Taking Our Time: Remaking the Temporal Order and Ruling Class Men: Money, Sex, Power.

miked51@bigpond.com

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