

Internationalisation of Capital and Mode of Production in Agriculture*

Harry Cleaver

In this essay, the author begins by sketching three cycles of struggle and the associated theoretical formulations. By so doing, he hopes to show some of the politics of the debate and, at the same time, its limitations as a basis for working class strategy. Having summarised this historical background, linking theory and politics, he then outlines a new theoretical structure which has emerged from a somewhat different political perspective.

This theory and perspective seem to offer more hope of understanding the 'political economy of agriculture', and more of a chance to change it than others. The perspective focuses on two key aspects of capital. First, it takes seriously the notion that capital is a social relation of class struggle, and recognises that within that struggle the working class is not merely reactive but has autonomous power to initiate action in its interests. Second, by beginning the analysis of capital from the point of view of the whole — the aggregate social capital — we see the crucial importance of the wageless within capital, within the class struggle.

This involves a reconceptualisation of the reserve army as one which is a part of the working class, because it works — reproducing itself and even producing a commodity surplus for capital. The division waged/unwaged thus appears not as a sign of work/nonwork for capital but as a basic division imposed on the class.

This perspective suggests that one way of approaching precapitalist 'modes of production' in the Third World and which recognises them (and the struggles of their exploited classes) as integral to the world capitalist system — is as subdivisions of the unwaged.

*Finally, with this perspective in hand, the author turns to the implications of this approach for understanding the situation in India.***

I

Political Economy of Agriculture

THE Political Economy of Agriculture necessarily involves the question of the relation between local agrarian structures and the world capitalist system. How can we analyse social structures which have been shaped by, and are still a part of, the world capitalist system and yet have structures which are not those generally thought to characterise capitalism : wage labour and capital accumulation?

This question is raised today for the same reason it has been raised repeatedly over the last 40 years — because the struggles of the rural peoples of the Third World have put it on the agenda. There have been several general cycles of struggle over this period; and during each of these cycles the major political groups involved had to develop strategic analyses of the nature of those struggles as a part of their political action. This has been as true for capital as it has been for the organised Left. Inevitably, as a part of these political conflicts, there have been a series of debates, both among Capitalist strategists and among Marxists, concerning the proper theoretical framework for analysing the role of agriculture and of its position within the various social struggles.

The current arguments over the mode of production in Indian agriculture is one more recent development in this ongoing series of exchanges. Although it has been for the most part couched in the language and style of academic Marxism, and the political positions of the participants have often remained veiled, nevertheless the political disagreements of the Indian debate have been made somewhat visible through the dynamics of the exchange, and have even from time to time become explicit. To recognise the political character of the debate means that we must not expect to arrive at any single 'best' accepted position — because the different political positions are often irreconcilable. It also means that we should be clear about the politics of our analysis and openly explain how they fit into our larger political perspective.

If, therefore, the current debate on the mode of production in Indian agriculture occurs in one phase of a longer discussion, then in order to begin to grasp the general significance of the debate we should try and situate it historically within the wider development of polemic on this subject during the different cycles of post-war struggle.

II Cycles of Conflict and Theory

During the first cycle of struggles, those of the 30s and 40s, the revolts of peasants and city workers against their exploitation were interpreted by local elites as anti-colonial movements and were given the form of 'national independence' struggles. Given that the colonies were in fact being exploited by foreign powers, this characterisation held considerable truth. But, at the same time, the local elites were able to limit the discussion of exploitation to that of one country by another. In these circumstances, the analysis of agriculture by the leadership of the independence movements saw the alliance between local landlords and foreign capital and attacked both — the former mainly because of their support for the latter. This position was shared by both those American capitalists with international interests who supported the anti-colonial movements (again seeking the 'open door') and the orthodox (mainly pro-Moscow) communist parties.

The main lesson drawn from the experience of China in the 30s by both communists and American experts was the importance of the peasantry as a revolutionary force and the reactionary character of the traditional land-holding class. In fact, American capital sought to support an anti-colonialism which would once again open the world to trade and investment. For that, they supported the local nascent capitalist and bureaucratic elements against both the colonialists and their allies among the landlords. This was the 'Third Force' strategy which sought through development to undercut the power of both the landed aristocracy *and* the revolutionary Left. The communist party also supported the anti-imperialist independence movements of national capitalists, where it lacked power to take over the struggle, justifying its politics by appeal to the Stalinist dogma that such 'revolutions' were progressive when they resulted in the quashing of semi-feudal landholders by capitalism. This would then lead to the full development of capitalist relations of production, within the framework of which a socialist revolution could then be carried out. Both capital and the communist party saw the local agrarian structures as pre-capitalist anachronisms within the overall capitalist system —but anachronisms whose contradictions between quasi-feudal landlords and peasants created the possibility of either reaction or uncontrollable revolution. In orthodox Marxist terms, these were class contradictions internal to a pre-capitalist feudal mode of production. For capital, these contradictions were instabilities within a traditional society whose stabilisation would improve control over the supply of labour to the industrialising cities. (Dualism, Lewis, etc). For both, the way to stabilise the struggles was seen to involve the overthrow of the landed aristocracy through land reform and small peasant development — although both had the visions of eventual collective farming or large-scale modern agribusiness in the back of their heads. This was in fact the policy followed in those cases where either the communist party (China) or capital (Taiwan, Japan) achieved unqualified control. Where they did not, the lack of reform and continuing peasant unrest led to a realignment of forces following independence.

This cycle of struggles in the Third World was mainly concentrated in Asia, and roughly culminated with the achievement of independence of India in 1947 and China in 1949 (but also Korea in 1945, Burma in 1947, the Philippines in 1946, and Indonesia in 1949). These struggles were intimately linked to those in — and among — the capitalist powers during and after World War II. The war weakened the hold of both the Europeans and the Japanese over their colonies in Asia, and strengthened the indigenous forces. The further conflicts of Europe, in the immediate postwar period, between the united fronts and capital also weakened colonial power.

The second cycle of struggles follows these, and represents an internationalisation of the struggle against both the remaining colonial holdings and against the new neocolonial governments. This cycle includes the first Indochina war against the French, the Malaya revolt against the British, the Huk revolt against the US-supported Filipino government, and the Korean War. These Asian conflicts were accompanied by others in the Middle East and Latin America (Egypt and Suez, Iran, Iraq, Cuba, etc). The success of India and China in freeing themselves of colonial domination served as models for the leaders of these expanding struggles. India (and Indonesia) stood as examples of neutral, independent capitalist development, and China as a model of communist revolution leading to independence and development. In Cuba, the Philippines, Korea, Malaya, and Indochina, the leadership of the

peasant and workers struggles looked more to China and armed guerilla tactics. In Egypt, Iran, Iraq, and other countries of the Middle East and Africa, local struggles were channeled along lines closer to the experience of India.

During this period, strategies were shifting on all sides. In some areas, the nationalist elite continued to oppose the landed aristocracy and foreign powers. But in others, especially those which had already attained formal independence, a new threat of rural revolution pushed the urban and rural elite together. This meant a new emphasis by capital on a development strategy which left the agrarian structures, especially land tenure, intact and agrarian reform limited to community development or colonisation schemes. The goal in agriculture remained stabilisation, but the revolutionary movements made it impossible to carry out land reform in a controlled way. Where those movements took up arms capital did too; where the struggle was less well organised, it tried other techniques. The position of the communist party varied according to circumstances but the basic split emerged between the pro-Moscow parties which for the most part continued to oppose armed revolution and supported the bourgeois revolution, and the pro-Chinese parties which, following Mao's model argued that revolution against both feudal and capitalist (especially imperialist) elements was possible. The analytical framework of orthodox communism employed was basically the same as before: agriculture was seen as being dominated by feudal modes of production, but the Maoists argued that because of the alliance between landowners and capitalists both had to be defeated at once. This cycle terminates roughly in the mid-1950s — with the Geneva Accords of 1954, the British victory in Malaya about 1954, the US/Filippino government victory over the Huks *circa* 1953, the Korean War in 1953, Suez in 1956, Iran coup in 1953, Iraq revolution in 1958, and Cuba, in 1959.

Between the end of the second cycle and the third, there was an interim period of capitalist development offensive in the late 1950s and early 1960s which appears as the result of capital regaining the initiative after the second cycle. Whether it won (Malaysia, Philippines, Iran, etc) or lost (Cuba, Iraq, etc), Western capital saw that the character of struggle was a demand for development. It responded with the 'end of ideology' and the Kennedy 'development decade' based on a new, more sophisticated use of bilateral foreign aid (Rostow and Millikan) and foreign direct investment. It sought to diffuse any further agrarian unrest through a new emphasis on agricultural development. So, in development theory, we find Ted Schultz; Ranis, and Fei, instead of Lewis; and in the Third World we find the beginnings of the Green Revolution instead of the industrial development sought by generations of anti-colonial Third World leaders.

Despite this, the 1960s saw a new round of revolutionary struggles, which included the First as well as the Third World. From the wellsprings of Cuba and Vietnam, came a cycle of struggles which reached a post-World War II high of generalised violence. In the Third World, revolutionary activity exploded with the second Indochina war, three insurgencies in Thailand, the new Huks in the Philippines, Naxalites in India, revolution in Africa (Angola, Mozambique, Chad, Rhodesia, etc), upheavals in Latin America (rural and urban revolutionaries in Mexico, Uruguay, Argentina, Brazil, Chile, etc). And, for the first time since the first cycle we find mass working-class upheaval in Europe and the United States. These struggles, which were principally those of the *unwaged* (especially in the US), followed the attack by the *waged* on the Keynesian productivity deal in the factories which had already driven capitalist multinational corporations increasingly into the Third World reserves of wageless labour. The international content of these struggles in the first world was emphasised by the central position of the revolt of the 'internal colonies' of blacks, Puerto Ricans, and Chicanos in the US. These are followed by women and student-as-niggers who were both explicitly linked to the international struggles — the anti-war movement/Guevarism and the international situation of women. In the factories, the struggle against speed-up and higher productivity was linked to that for welfare, higher unemployment the ghettos, and foreign investment. In Europe, too, the international character is clear both among students and with the growing ties between local and emigrant workers. In both the US and Europe, the struggles were increasingly taking on the character of a fight for increased income unlinked to increased work.

The international scope and content of this new cycle of struggles was reflected in an attack on the orthodox Marxist theory of the role of agriculture and political strategy. The traditional orthodox communist parties continued to adhere to the competitive nation state model of imperialism and to the mode-of-production analysis of agriculture, based on the Leninist and Stalinist tradition. This kind of analysis, as we have seen, provided the theoretical justification for the communist party's antirevolutionary, collaborationist policies during the earlier periods in those areas where Moscow had no hope of achieving influence. Despite Moscow's support for certain armed struggles, e.g. Vietnam, its politics in most of the world were geared more to support for the *status quo* than to revolution. One area in which this was particularly so was Latin America, and it is not surprising that the first

serious theoretical assault on the orthodox position came from the Americas. It is true that the Maoists had often challenged the Moscow line, but they had not done so on the level of mode-of-production theory. They had retained the basic theoretical framework of Lenin and Stalin historical materialism and its emphasis on modes of production.

The attack, of course, came from the Baran-Sweezy-Frank school, which emphasised the unity of the capitalist world and the fact that underdevelopment emerged not from a lack of capitalist growth but as a consequence of it. Andre Gunder Frank, drawing on Baran's notions of the roots of backwardness, which he had developed in the 1950s, and on his own studies of Latin America, focused on how presently underdeveloped areas were not just underdeveloped but were poor because of prior capitalist exploitation and development. He refused to accept the orthodox categorisation of capitalist and feudal modes of production, and insisted on the *historical and present linkage* between the supposedly pre-capitalist and the capitalist areas. The aspect of this unity, which Frank brings out, is the all-pervasive penetration of the capitalist world market — the way it reaches down into the most apparently isolated villages to extract whatever surplus is produced there and to transfer it out and up the international hierarchy. This insistence on a world-wide hierarchical unity of the capitalist system explained the differences, in what appeared to be capitalist and feudal or underdeveloped areas and social structures, by this wealth transfer. In this way, instead of a conglomerate of different modes of production we were offered the image of a unified system with a centre and a periphery or with hierarchical metropolis-satellite relations. This theory, based on market relations, concentrated on the flow of goods and investment but failed to focus on the question of the availability of labour for production or on the way capital could shift labour internationally. Nevertheless, this theoretical formulation constituted the justification for a refusal of the communist party's political line of peaceful coexistence and collaboration, and for support for armed revolution against both national industrial capitalists and landlords who were now seen as lower-level capitalists within the whole system. There could be no point in supporting the national bourgeoisie when that group was at best a set of caretakers a (*lumpenbourgeoisie*) for the interests of international capital which was draining the wealth of their countries and thus eliminating any hope of development. In short, Frank's position called for national liberation struggles against international capital at all levels, in order to build socialist development within an independent country.

Coming in a period when the internationalisation of anti-capitalist struggles was plain for all to see, Frank's analysis carried tremendous appeal. It emphasised just that unity which was brought out by the different struggles even though they were in different parts of the world. There could be no doubt that the conflicts in Vietnam and Berkeley were both against the same enemy. Guevara's call from Latin America for "One, Two, Three many Vietnams" echoed around the world because it spoke directly for the unity of struggle against international capital. It rang in the streets in North America and Europe, just as it did in Asia and Africa. In the US and Europe, Frank's analysis received some elaboration at the hands of those, such as the editors of *Monthly Review*, who saw the center of revolt against capital in the Third World whether in Latin America, Africa, Asia, or the ghettos. In the Third World, his analysis had considerable impact, being adopted by some and elaborated by others — especially by Samir Amin on a theoretical level.

But, if the Baran-Sweezy-Frank tradition stood out as an expression of the internationalisation of working-class struggle — and one that explicitly attacked Left-revisionist positions like that of the communist party — it was nevertheless marred by a number of fundamental flaws which made it possible for the communist party to launch a counterattack whose impact on theoretical and political thought has gone far beyond its ranks. That counterattack came in the form of a new and fairly sophisticated reformulation of historical materialism. As a result of the worldwide scope and intensity of the revolutionary movements of the 1960s, the international order of capital had been thrown into severe crisis. Revolt in both the First (US and Europe and Japan), the Second (USSR and Czechoslovakia, China and the Cultural Revolution), and the Third World forced both capitalist and communist strategies to recast their analyses of the class struggle. In such a period, when the class struggle is an unavoidable fact, both sides went back to the major theoretician of class struggle : Marx. Under capital, this has taken a number of forms from radical economics to the Cambridge school. In the halls of communist orthodoxy, this took the form of going back behind Lenin and Stalin to a re-reading of Marx —principally by Louis Althusser and associates of the French communist party. In *Reading Capital*, Althusser and Balibar re-read *Capital*, in a way that re-emphasised the notion of mode of production and brings it once more to the fore. They, and other Left theoreticians, also bring out the centrality of the Marxist value theory in a new round of discussions of the crisis theory. These two aspects — mode of production and value theory — together represented the basis of serious attack on Baran-Sweezy-Frank, exactly because these phenomena were overlooked or mistreated by these authors.

We have already seen how the focus, on the worldwide unity of capitalism and the unevenness of its development, led them to largely ignore the question of the particularities of different Third World production structures. Yet, these particularities were clear to all: a Latin American *latifundia* does not operate the same way that a Ford assembly plant does, even if both are geared to commodity production for the world capitalist market. The mode of production analysis focuses directly on these specificities and at least pretends to offer a theoretical approach by which they can be distinguished, analysed and their articulation studied. At the same time, from Baran and Sweezy's writings on, this group had totally dismissed the use of Marx's notion of value and replaced it with Keynesian tools and the concept of surplus. Baran, Frank, etc, retained only a loose notion of exploitation from Marx (loose because not based on value analysis) and focused on the drain of the surplus from underdeveloped areas. This left them open to attack from orthodoxy using more or less traditional interpretations of Marx's theory of surplus value, capital accumulation and crisis. These attacks have constituted the backbone of the various Left responses, not only to Frank but also to the crisis in world capitalism which he was trying to account for and take part in.

In the West, the crisis theory is of more immediate concern to most Marxists, and debates rage around the Marxist value theory and crisis theory to explain what is understood as a major downturn in the capitalist business cycle. In the Third World, the discussion of the mode of production seems to receive more attention. The reasons are perhaps not hard to find. It is in the Third World that the problem of how to deal with numerous quite distinct social structures is greater; the West is somewhat more homogenous, with fewer 'historical remnants'. At the same time, the usual Marxist notion of crisis, which fails to see capitalist crisis as a response to rising autonomous working-class power, tends to locate the sources of breakdown in capital's accumulation within the mechanisms of inter-firm or international capitalist competition (which give falling rate of profit or realisation crises) whose 'centre' — if there is one — is the financial and industrial centers of the metropolitan areas and not in the periphery.

We thus are now in a third phase of theoretical development. The first was that dominated by orthodox interpretations of historical materialism, and reflected the Communist Party's virtual monopoly of Marxist theory. The second was that dominated by Baran-Frank etc, which was a part of the anticapitalist, anti-communist party revolts of the 1960s throughout the Third World. The third is the present period in which a new and reformulated interpretation of Marx is set forth to explain the crisis, and returns to the mode of production analysis as well as bringing out a new round of study of Marx's value theory. It is this third phase of which the debate on the mode of production of Indian agriculture is a part. Most of the participants in the debate represent one formulation or another of this 'mode of production' analysis and are implicitly or explicitly opposed to Frank who joins the debate briefly to respond to his critics.

III Mode of Production and Debate on Indian Agriculture

The old notion of mode of production — which had been elaborated by Engels, debated in the Second International, and simplified by Stalin in the Third — was that the basic structure of any society was of production and it was this which determined the pattern of distribution, consumption, etc. Whatever the mode, its structure was two-fold, consisting of the forces of production (technology, relations between men and nature, etc) and relations of production (production relations among persons). The relationship between these two aspects of the mode was one of conflict; the more or less autonomously developing forces of production came into contradiction with the relations of production that restricted their further development.

This was the moment of revolutionary rupture, when the old class relations of productions were broken and a new set of more developed forces of production and a new pattern of social classes emerged. This formulation, an elaboration of Marx's preface and introduction to the *Critique*, also saw the rest of economic and superstructural relations — politics, culture, religion, etc — to be determined by these underlying forces. The Bolsheviks, Leninists, and Trotskyists alike, saw the development of the productive forces to be so central and so important in this schema, that the development of the forces of production was felt to be not only necessary for the emergence of a new pattern of class relations but to be virtually sufficient once State power was seized by the party for the emergence of socialist class relations. This theoretical perspective, of course, provided the justification for the party's practice in Russia of putting the workers and peasants back to work .harder than ever — in the factories, on

the farms and in the Gulag — since a rapid growth of the productive forces would guarantee the success of the revolution.

This theoretical and political practice, which was challenged by Baran-Sweezy-Frank, was also attacked much earlier by Mao who argued that this "theory of the productive forces" was wrong and that the road to socialism must be led by ideological struggle rather than production maximisation. The basic analysis was retained, only the 'superstructure' was given a new significance.

The new notion of mode of production, which Althusser and Balibar put forward, was a somewhat more complicated one. They retained the forces and relations of production as the basic elements, but proceeded to elaborate in a more refined manner the philosophical and theoretical structure of the mode. It reappears as an abstract model with multiple internal structures: economic, juridical-political, and ideological. There is a new formulation of the interaction between these aspects of the mode, and an attempt to distinguish between the dominant elements and the determination in the last instance of the economic structure. The mode structure, as before, is then susceptible to being applied to different situations; capitalist, slave, etc. The existence of relations which do not fit the theoretical model is taken account of by recognising the possible coexistence of different modes within any concrete social formation. In the presence of several modes one is presumed to dominate the social formation.

Now, while there have been many debates — about whether this new model is really all that much different from the old, or whether Althusser has really been able to define what domination of a structure or of one mode by another means, or what determination in the last instance means, etc — there has nevertheless been wide-spread interest in this approach among Marxists in many fields. Most important here are two that deal with the Third World directly: economics and anthropology. In economics the notion of abstract mode structure or model has been used in one form or another to support the reinterpretation of *Capital* as a model of the 'laws of motion' of capitalism and from there an enquiry into whether there might also be other modes with laws of their own. This last has been the preoccupation of many anthropologists, who have for several years now been reexamining primitive and peasant societies to see if, behind the kinship structures which have traditionally been thought to dominate social relations, there lay a mode of production which could explain those relations (e.g., Godelier, Meillassoux, Terray, etc).

The debate on Indian agriculture appears as a part of this re-examination of Third World societies, through the lens of the mode of production analysis. That debate takes place on both theoretical and historical levels, and involves several issues. The one which concerns me most at this point, is the usefulness of the mode of production concept in approaching the problem of understanding agrarian structures within the world capitalist system. Inevitably, if one begins with this kind of approach the problem is to decide the nature of the present social formation by specifying as accurately as possible which modes of production are present and what are their interrelationships. Is there a dominant mode, or is there a transition underway, or what?

The question emerged in India, as we know, within the context of the rapid technological and social change associated with the Green Revolution and the fears of a Red one. Were those changes bringing a new development of capitalism in agriculture with a new alignment of classes, or not? Now the very way of posing this question implies that prior to the Green Revolution there were widespread non-capitalist relations, and within this mode of production perspective pre-capitalist modes of production.

There were roughly speaking two phases to the debate. The first, which involved Rudra, Patnaik, Rao and Chattopadhyay, turned around the theoretical issue of the proper identification of the capitalist mode and the empirical question of whether, when, and to what degree a capitalist mode had arisen in Indian agriculture. The second phase, which involved Frank, Banaji, Sau and Alavi, tried to take into account, on a theoretical level, some of the international aspects of the question which were brought out in the historical discussions of the first phase.

The theoretical debate, about the specification of the capitalist mode and its juxtaposition to other modes, dominated the first phase. The debate really began with Utsa Patnaik (5, 7) and R S Rao (4) separately suggesting a Marxist definition of capitalism while attacking Ashok Rudra's (1, 2, 3) study of big farmers in the Punjab which claimed that there had not been any statistically visible growth in capitalist farming. They define a capitalist mode as including: the hiring of wage labour, commodity production, and capital accumulation, although both recognise that, in the early stages of capitalist development, there may be non-cash wages (Rao) or even non-wage labour (Patnaik

citing Mandel). Paresh Chattopadhyay (8) then rejects their identification of accumulation as an independent criterion. He cites Lenin that primitive technology and tenancy are compatible with the capitalist mode. Patnaik (10) responded that accumulation does not automatically follow from wage labour and commodity production, that it did not in India, and that its existence must be established. Chattopadhyay (11) then returned to the attack with a lot of textual citations to show the inevitability of a link between capitalism and accumulation and rejected the notion of capitalism without free labour.

This definitional debate includes another over the role of property relations. Patnaik (7) began this by saying with Mandel that bourgeois property relations developed with functioning markets in land and labour without the development of capitalist relations of production. Chattopadhyay (8) claimed that was not possible, since property relations are only the (superstructural) juridical expression of production relations. The two are not equivalent terms. Moreover, he said that, in India, there was only private property in land not bourgeois property. Patnaik (10) responded saying that there is a distinction in India because the English 'grafted' bourgeois property relations on to pre-capitalist modes of production. By this, she meant a system of laws. By implication, we must analyse the interaction between the laws and the mode — the superstructure and the economic base. Chattopadhyay (11) redefines his terms but maintains his position.

Frankly, although the *historical discussion* is very interesting this *theoretical polemic* is neither very interesting nor illuminating about history. All of the authors correctly recognise the basic social relations of capitalism: capitalists and workers. They also recognise that this arises with and contributes to the development of generalised commodity production and the expansion of the market. But the debate over accumulation was formalistic, because both sides failed to recognise the relation between the lack of accumulation and the drain of the agricultural surplus characteristic of imperialism. This reflects their attempt to define mode of production without taking into theoretical account the international situation. They do take it into account in their historical discussion, but this again is not illuminated by their concept of mode. In the argument over property relations, Chattopadhyay (11) gave ground without admitting it, by redefining two meanings for property relation: primary — the real relations of appropriation; and secondary — strictly legal relations. By equivalence, he says, he means reciprocal implication and he admits the possibility of difference between production relations and property relations in the second sense — which is more or less what Patnaik was talking about. But then he says again that the English introduced private property but not bourgeois property; but fails to make a case for this and falls back on his primary definition in which any difference between superstructure and base is obscured.

The second phase of the debate involves an attempt to take into account the national and the international process of surplus drain in the discussion of the mode of production and the pattern of changes in mode. This involves an attempt to reconcile, at the theoretical level, the relations of circulation and drain and of production. As I mentioned above, in the first phase there were historical discussions, by Patnaik and Chattopadhyay, of Indian development which also tried to do this but not theoretically. Patnaik (5, 7) saw a relation between the rise of the dominant landowner and the pauperisation of the peasantry and the rise of state taxes and mercantile and finance capital. Chattopadhyay (8, 11) argued that colonialism both helped (commodity production) and hindered (land policy, commercial policy, etc) the development of capitalism in agriculture, but that its extent was limited although now growing. But both discussions are empirical and historical, and are based on a clearly stated notion of the articulation of different modes and the role of the market.

Once Frank's (13) basic point is admitted — that the drain accounts for the lack of accumulation — the debate returns to the nature of the mode. Almost everyone agrees that, although the capitalist market may drain the surplus, it does not mean that the mode being drained is capitalist. The major new approach, which appears in this second phase, is that of Banaji and Alavi, who try to formulate a notion of a colonial mode of production which will take into account this drain, yet still be based on production and not circulation.

Banaji's solution (12, 15) is to first redefine mode of production so that it can include more than one kind of 'relation of expropriation', and second to define the situation in which a number of relations of exploitation are combined to drain surplus out so that there is no accumulation as a colonial mode of production. "The colonial modes of production were precisely the circuits through which capital was drained out of the colonies in the form of bullion, consumption goods, raw materials, and so on." Unfortunately, his specification of the mechanisms of that drain is virtually non-existent; and we are left with a definition which appears to be no more specific than

Frank's on the *method* of drain. Banaji seems to have simply re-labelled the process a 'colonial mode of production' whereas Frank spoke of 'markets' and world capitalism.

Alavi's contribution (18) includes a summary and critique of the debate which, besides assessing its virtues, takes it to task for not taking Frank's problematic seriously enough. Like Banaji, he attacks the notion of coexistence of modes and seeks a unifying concept of colonial mode of production. But, like Frank (and Amin), he insists that the different local structures must be grasped within 'imperial capital' which "disarticulates the internal economy of the colony and integrates the internally disarticulated segments of the colonial economy externally into the metropolitan economy". The old structures are, therefore, reshaped and preserved within the world system — "a hierarchical structuration in a worldwide imperialist system". In order to define the colonial mode, Alavi points out that colonialism can transform the meaning of a social relationship (say of appropriation) although it does not change its form. Feudal relationships are no longer the same when they are encapsulated within the capitalist world and become part of a system of expanded reproduction. Producing for the world market expands commodity production yet does not expand in a capitalist way — because the surplus is drained to the center, and trade with other colonial areas is limited. He is more specific about the methods of exploitation and drain: forced labour (feudal) and State-imposed land revenues, and then, after the transformation of property relations that 'freed' the peasants, economically free labour (but with nowhere to go), and continued colonial taxes and trade. This process, combined with the destruction of handicraft industry, pauperised the peasantry — especially smallholders — and made them a cheap labour supply, for capital. This has been accentuated by the Green Revolution which has further displaced the sharecroppers and smallholders.

This analysis, which is historically and empirically rich and detailed, leads Alavi ultimately to the realisation that he has really strayed quite far from anything like the usual mode concept, old or new. He admits that his 'colonial mode of production' does not constitute 'a complete unity' which the usual abstract model concept requires, and he returns to Frank's problematic of the unity of world imperialism, wondering if there is an "imperialist mode of production which embraces a global unity". Finally, almost in passing, he calls the colonial mode a 'capitalist mode'. With the concept of colonial mode of production now in a state of chaos, he is forced to define the 'post-colonial' mode only by some changes in the conditions of the colonial mode: less internal disarticulation etc. Ultimately, what Alavi's analysis points to is the impossibility of answering the question of the relation between agrarian structures and the world capitalist system in terms of a mode of production analysis. Alavi's wish for a better terminology reflects the need for a better theory which can grasp the historical phenomenon he perceives.

However, the real problem in both phases of the debate is that — regardless of the variation in the mode of production theory or in the theory of imperialism, regardless of the mixture of the two — what we have in all cases are theoretical formulations which either hide or distort the character of the most important social processes involved: the class struggles during the different historical periods. In the case of mode of production analysis, old or new, the class relation is buried in the relations of production behind the basic contradiction between the forces and relations. The modern variant which accords more autonomy to superstructural elements like the state only aggravates the situation. It is no accident that the prime theorists of the mode of production analysis are members of the French Communist Party, which is dedicated to controlling class struggle. When attempts are made to put this approach to use in India, this obfuscation is partially overcome by focusing on the relations of production and ignoring much of the rest of the structure; but even then the relations are usually frozen in definitional types, rather than brought to life. This is why it is always the historical discussions of the various authors which are most illuminating. Definitions are from time to time left behind and we get an insight into the class struggle, even if it is not named as such. We are told how the colonialists (representatives of international capital) transformed India, created new structures, faced resistance, initiated new changes, etc.

In the case of the bits and pieces of theories of imperialism which are brought in to deal with the drain, there is another problem which is also present in the discussion of the relations of production and appropriation: all the initiative is seen to lie with capital and the exploited workers of the colony are almost invariably seen as passive or at best reactive victims. This problem derives from the theoretical tendency to deal with the development of capital primarily in terms of the interactions of capitalists — in industry, agriculture, finance, the State, etc. This theoretical tendency, to see the dynamics of capitalism as determined mainly by only one of the two classes, derives in turn from the tendency of most Leftist parties — whether Stalinist, Leninist, Trotskyist or what not — to play down and even try to control the power and initiative of the working class. This is most obvious in the case of the communist party (CPI), which bargains for a share of power in India, or the communist parties of Western Europe

(France, Italy, etc) on the basis of the extent of their control over the working class. It is this political perspective that has generated theories of capital (mode of production, imperialism) which virtually ignore the working class or, like capital, reduce it to a variable labour quantity. And it is the nature of these theories which makes them dangerous to the exploited peoples of the capitalist world. It makes no difference what are the personal motivations or politics of those who seek to use these theories — their very structure leads us away from a working class perspective, which we need to understand any aspect of capitalism.

IV An Alternative Perspective

To answer the question of the relation between local agrarian structures and the world capitalist system, we must begin from the recognition that those structures are *within* that system and are therefore part of it. We must begin, then, by asking what it is they are a part of — what is capitalism?

A new and exciting reformulation of the theoretical answer to that question, which allows us to grasp both the unity and the internal differentiation of the world capitalist system, has recently been made possible by a number of theoretical developments which have occurred as part of the political struggles of workers in the West. Those developments include the realisation that capitalism has become a social factory which includes not only the relations of the traditional factory and office (wage labour) but also the unwaged labour of the rest of society which is shaped for the production and reproduction of the working class itself. The conceptualisation of the social factory as a new phase in the development of the total social capital grew out of struggles in Italy. The focus on the waged/unwaged division was brought to the fore by the Wages for Housework movement of women who grasped its political importance. These women were directly influenced by the international character of capital, especially in England where that character was immediately manifested by the import of cheap Third World labour from the ex-colonies (21, 22, 23). Another related development was the realisation that the working class is not simply reactive but constitutes a basic force in the development of capital — that the working class has autonomous political power and in fact often is in the situation of taking the initiative from capital (19, 20). Finally, there has been the realisation that the fundamental characteristic of working class struggle has been shifting from the struggle for development to the refusal of development — to the refusal of work and the demand for income without work. (25). These theoretical and historical insights lead directly to a redefinition of capital, which includes the working class within it.

Capital appears as a form of social organisation wherein one class imposes work as the fundamental form of social control on another class through the imposition of the commodity form. (24) The imposition of the commodity form, of course, means that the bulk of the population is forced to sell its labour power to survive. This is exactly why this second class is a *working* class. Unlike the usual definition of capital which confuses the sale of labour power with the wage relation, the above notion of the waged/unwaged division reminds us that the working class inevitably is divided by capital into two parts, only one of which is waged. The wage does not define the capitalist relation of exploitation, it hides it. It hides not only the unpaid work in the factory but also the unpaid work of the unwaged outside the factory.

If we begin from this notion of capital — as a social relation of struggle between those who would impose work as a condition of life and those on whom it is imposed — then we can understand the world capitalist system as the global imposition of these relations. At this point we can recognise the essential correctness of Frank and Alavi's emphasis on world unity and now see the nature of that unity which was unclear to them. Beginning with this unity — from the recognition that capital is global system — we are led to see that the considerable analysis of that unity by Marx in *Capital* provides at least a start at conceptualising its functioning and the relations between its different parts.

Marx held not a labour, but a class, theory of value(24). The basic commodity form of which value is the expression is the class struggle itself which as I have said is over the imposition of that form. The *substance* of value is abstract labour but that concept denotes not the essence of humanity but a social process — the substitutibility of labour, its mobility which derives from the struggle over the division and redivision of the working class. The *measure* of value is labour time but, again, socially necessary labour time —determined through the intermingling of multiple production processes and capital flows. The *form* of value is exchange value whose ultimate expression is money. On a world scale, these processes amount to the creation and distribution of international value and the global

struggle over its creation and distribution, i.e., over the value of labour power and surplus value. Exactly because abstract labour and thus value presupposes both national and international mobility, homogeneity, and constantly changing division in the working class — among both waged and unwaged — this is in harmony with the diversity of local situations of work and production in the world. We have here a first theoretical expression of difference within the global unity. On the world, as on the national, level the accumulation of value appears most basically as the accumulation of the class relations of which the accumulation of the waged, the unwaged, money and means of production are all necessary moments. Amin's conception of the need to grasp "The Accumulation of Capital on a World Scale" is thus very much to the point despite the fact that he did not understand how to go about it.

The circuits of capital (neither the three perspectives on the circuit of an individual capital based on wage labour which Marx deals with in Volume II, nor the circuit of the reproduction of labor power based on unwaged labor) can no longer be thought of on a local level. Especially with the advent of the multinational corporation and international labour mobility, these circuits are global in scope and the history of their expansion to this complexity is part of the history of imperialism as Palloix has understood. $M-C \dots P \dots C'-M'$, for example, may begin in New York, flow to Europe then to production in Africa, followed by sale in Japan and return in money form to New York — or to the Eurodollar market. Such is the scope of these circuits and they also provide us with an insight into both the global organisation of capital and the role of the unwaged in its divisions. In recent years, when multinational corporations have reached into the Third World to see if they could control agricultural production, one approach involved not wage labour (as on plantations) but control over inputs and outputs of production carried on by peasants on their land in a kind of latterday putting-out system. Are we to try to see this as a pre-capitalist mode of production, simply because the peasants are not paid a wage? I think not.

Although it may be harder to see, the reproduction schemas provide another essential insight into the problem capital faces on a world scale. It needs to ensure control over the balance of production of the means of further production and of those commodities essential to the accumulation of the working class. Control over food, other consumption goods, and conception, is one aspect of the problem and a necessary one to grasp in this global crisis. Production of the means of subsistence it should be noted must provide not only for the waged but also for the unwaged — especially when the poverty of the unwaged producers makes it difficult for them to provide for themselves. The control over basic producer goods like energy, oil, etc, is closely related. And it must be seen that capital tries to *plan* these balances. It is not a question of leaving it to the fabled anarchy of capitalist production. There are institutions to draw up World Food Plans, World Population Plans, World Energy Plans, others to negotiate them, and still others to try to carry them out.

Finally, the analysis of the branches of production and the flow of capital between branches gives an indispensable insight into the international workings of capital. Once value is understood politically, the key variables in Marx's analysis of these flows — the rate of exploitation and the organic composition of capital can also be grasped as indices of the class struggle and of the degree of capital's control. Capitalist strategists like W. A. Lewis have long understood these matters, it has only been lately that Marxists gotten beyond the 'transformation non-problem' by realising that prices of production are not prices but values and focused on the value flows (e.g., Emmanuel). Here again, the multinational corporations emerge as a new and highly efficient institution for capital to organise these flows — but, at the same time, its success in changing c/v and s/v is limited by working class struggle. This theoretical focus provides us with a way to begin to see the links between working class struggles in different geographical areas (not that a branch is equated to an area). It was the success of the US working class in the 1950s in holding down s/v despite a rising c/v which drove capital into Europe and then into the Third World. It is the success of Third World workers, (e.g., Indians) in holding down productivity and pushing up wages, that has limited the ability of international capital to exploit them. The continued rise of these struggles points to the fact that capital seems to be running out of branches to flow to a consequential negative impact on the average world rate of profit.

In all these aspects, we recognize that the 'capital' which is constantly reorganising itself and flowing is doing so partly on its own initiative and partly in reaction to the attacks by the working class. The whole process of capitalist development must be thought of, not as the working of some automatic machine (an abstract mode of production), which sometimes breaks down, but as a series of initiatives and counter-initiatives by the two classes which make up the social totality. But, do they alone make up this totality or are there other classes 'outside' of capital? This leads us directly to the question of the specificity of the agrarian structures in the Third World.

In the light of this alternative perspective, we are led to the immediate conclusion that we are dealing with a part of capital which is mainly concerned with the production of the working class itself and the means of its subsistence,

and that, for the most part, we are dealing with a labour force which is unwaged. This last has been pointed out in two seminal articles by Selma James of the Wages for Housework Movement (22, 23). Extending the analysis of the unwaged housewife who produces labour power for capital (her children's labour power, her husband's, and her own) to the case of Third World peasantry, James has pointed out that since they are within capital and are not paid a wage they are, as a first approximation, unwaged. This is not just a negative definition, it is a positive statement about their position *vis-a-vis* capital — they form part of the unwaged labour force, a 'reserve' army only with respect to the waged part of the working class on a world scale. Peasants are no more exterior to capital than are the housewives or students or unemployed in a Western capitalist country. They work at reproducing their own and others' labour power and they sell this work to capital. The housewife sells her labour power in exchange for the means of subsistence which she receives through the mediation of her waged husband, or the State (21). The peasant works for capital and sells that work also, e.g. in exchange for a piece of land to grow food to survive, etc (22, 23).

"In the same way as the proletarian character of the labourer in the home is hidden by the lack of a wage, so the proletarian character of the labourer on the land, the 'peasant', landowning or landless is hidden by the wagelessness of that labour" (23, p 27).

"So it is that capital has seized on every mode of production, and on the 'train of ancient and venerable prejudices and opinions' which spring from them; and reinforces that exploitation" (23, p 28).

This was exactly the phenomenon which Alavi was trying to get at, when he noted that 'feudal' modes were no longer 'feudal' when integrated into capital. The form remained but the substance changed. What does this mean, that capital has seized on every mode and transformed it? It means that it has transformed these "pre-capitalist modes of production into modes of its own self expansion". It does this in a multiplicity of ways depending on the circumstances of labour it finds. James brings out two aspects: the Third World agrarian structures, like the homes of the First World, become the producers and reproducers of an actual (emigrant) and potential reserve army for capital. In some cases there is a steady flow out of the rural areas into the city slums. In others, there is less movement but steady poverty ensures the availability of that labour power at the first drought or economic crisis. Second, besides subsistence production which maintains this reserve army in an impoverished state of waiting, there is often a surplus which is drained off in many ways to finance capital's expanded reproduction. The basic point here is that the so-called pre-capitalist areas and structures are part of itself and integral to its accumulation process. Wagelessness is not outside or alongside accumulation; it is part of it.. The unwaged *must* be accumulated right along with the waged. From the *perspective of the working class* the apparent precapitalist forms hide its exploitation by capital.

Frank's formulation of this process has been criticised for not focusing on the specificity of the production process; but what has been missed is how his analysis reflects capital's own point of view. When the surplus of any peasant village or *latifundia* is bought by capital in its markets, the very act of buying is a statement that on one very basic level the labour of those producers —however they are organised — is the equivalent of all labour. In other words, it is taken as abstract labour. This is the incredible thing about capital, its ability to see that work, whatever its specific form, all has basically the same usefulness from its own point of view — *usefulness for social control and the production of surplus value*. The setting of a price on the produce of a peasant's labour equates it to money. But money, as I have suggested above, is the fullest expression of value in capitalism. To say that the peasant's surplus has value is to say that, from capital's perspective, the real substance of that surplus is abstract labour and its form is exchange value — money. It is this magical quality of money and exchange which Frank has understood from capital's point of view. In this sense, to impose capital's market is to instantaneously convert the previously isolated community into one more source of universal labour.

On the other hand, Frank's focus on market relations ignores the real depth and scope of capitalist planning today. He sees capital flowing mainly in response to short-term profit stimulus e.g. into the Brazilian northeast when sugar prices are high, out again when they fall. But we now know that capital plans for the long term too. It may, for instance, flow into Mexico (Rockefeller Foundation grants) despite attacks on profits (expropriation of Standard Oil). Or, multinational corporations may stay in a country even when they are losing money for a while, if it will later mean increased profits. Development and underdevelopment are not just results of market fluctuations: they grow, in part, out of long-term capitalist planning of the flows of both money and people.

From the peasant's point of view, the structure of work may not be changed — its form may still be feudal, tribal, or whatever — when capital comes in. But the *structure* of exploitation has changed. The peasant is now exploited by capital just as capital is exploiting the village. It makes no sense to speak of a capitalist drain and to refuse to speak of being drained (exploited) by capital. Moreover as the flow of goods and information grows through the market the link between the peasant and the rest of the working class grows too — not only by the degree of exploitation but through the peasant's awareness of the mass of wealth capital is accumulating at the expense of workers everywhere. As Marx emphasised so often, the accumulation of wealth is the accumulation of the working class, of its poverty, and of its struggle. The various parts of this struggle come to be linked consciously, as well as economically and politically. As James puts it, once the peasant has had the experience of the transistor radio in the field or village "that community has stepped beyond any definition of itself as 'peasant'" and those peasants are ready to demand all of the wealth which exists but of which they have been deprived. This is just that phenomenon which bourgeois economists have called 'the demonstration effect' or 'the tide of rising expectations' — and which they have tried, in large part futilely, to contain.

We can now see how the various definitions of a capitalist mode of production could only be sustained through the theoretical error of confusing capitalism with wage labour and not seeing that (1) capital must of necessity also contain a large proportion of the working class in an unwaged condition, (2) that the waged and unwaged is a division of the class designed to weaken both sides, and (3) that the form of unwaged work can vary enormously. In the developed areas, it may be limited to the work of housewives, children, students, and the so called unemployed who are supposed to work at finding jobs. But, in the Third World, the variety of the unwaged is infinitely richer. There are a multitude of ways in which the unwaged are forced to work for capital, both in the production of a surplus and in the production of the class itself. Moreover, the notion of abstract labour — central to value — helps us to understand the discontinuous process of change, of recomposition of the unwaged working class the same way it lets us understand that of the waged. In both cases, the "political recomposition" of the class refers to the outcome of the class struggle itself. The class is recomposed through struggles which overthrow capitalist imposed divisions, create "new unities between different sectors of the class" and "expand the boundaries of what the `working class' includes" (25).

We have seen that abstract labour reflected the substitutability of labour, and that requires a mobility of labour which capital tries to impose by changing the organisation and distribution of the working class. On the other hand, the working class has its own views and interests for which it struggles.²⁴ Among wage workers, the basic means of division is the wage hierarchy which is graduated over quite a large stratification of the working class. Many divisions like sex, race, and caste, appear upon closer examination to be camouflaged wage divisions.²⁵ But each time a division is created there arises a working class initiative either to change it against capitalist plans or to refuse to change it when capital wants to. Among the unwaged, we find exactly the same kinds of struggles. The fight of housewives and students to obtain a wage, and the struggle of the unemployed to avoid work and not function as a reserve army, are examples. In the Third World and in the history of the First, we have other examples which we can begin to understand better from this perspective.

In the United States, for example, capital created a vast unwaged labour force of slaves because it could not control free labour in the presence of huge areas of free land. In time, those aspects of the slave-master relationship which limited capital's ability to change became a hindrance in its desire to industrialise and expand. The overcoming of those aspects required a Civil War and the abolition of slavery itself. For that war, capital was able to use both the waged, who wanted to attack an institution which undercut their wages, and the unwaged slaves who wanted to end this particular form of wagelessness, in order to achieve this restructuring of the class. After the war, capital tried to impose wage labour but the ex-slave labour force demanded access to land; and capital had to settle for sharecropping. Sharecropping, in turn, created a situation where the working class refused to migrate in reaction to capital's labour needs so that the latter had to undertake a re-engineering of southern rural society.²⁶

The history of the Third World is similar. Time and again, capital created institutions to impose work and then found these structures to become rigid and difficult to change. In Latin America, the process began with the conquests and the difficulties of forcing the Indians to work. It passed through slavery and the slave revolts on down to the 'feudal' *latifundia* the wage labour plantations, and the subsistence peasants of the present day. Once the common element of the imposition of work in the capitalist world is grasped, along with the autonomous power of the working class in its struggles, then and only then, does it become possible to begin to reinterpret and rethink

the history of imperialism from the working class perspective of its own development. And more importantly, only then can we grasp the character of class struggle during this period.

This perspective is an exciting one, I think, because it provides the theoretical and political basis for an understanding of the accumulation of capital (class struggle) on a world scale, in a way which takes account of not only the unity but also the diversity of those struggles. This moves us away from capital's point of view of itself (which underlay both the notion of mode of production and most theories of imperialism) and brings to the fore the perspective of the working class. For, this is the vital point. The structure of agrarian society, which we want to understand within the world capitalist system, is the class struggle. If our goal is the ending of the imposition of work as a means of social control, then we must begin from the actual struggles of the different parts of the working class. Given our understanding of the diversity of the ways in which work is organised under capital, we are prepared to find class struggle assuming many forms which correspond to the organisational forms of work. The need which was felt to deal with these different forms in the face of Frank's global but vague unity, was quite real. But, at the same time, there is no need to try to imagine any sort of self-contained mode of production with its own laws of motion. The only laws of motion today are those of capital, and they are nothing more than the tendencies generated by the class struggle itself.

V India

When we turn to the application of this perspective to the situation in a given country — say India — we must remind ourselves of what it is we want. We do not want simply an analytical description of either the present situation or the past. We do not want an analysis which sees only the development of capital and mentions the working class only in passing as victim. Nor do we want an analysis of working class struggle which approaches it only as reactive. What we do want is to find the best strategy for the working class — whatever its particular composition — to end the reign of capital. And, in order to find that strategy, we want to understand exactly what is the current status of working class struggle against capital — how is it struggling for its interests, and how have these struggles been developing. This is the only perspective from which we are interested in history — because it is through an understanding of the past strategies, victories, and defeats of the working class that we can judge the possibilities for the present and future.

When we put our goal as clearly as this, we find that despite the wealth of historical information which has been gathered on the history of agriculture in India there has been a striking lack of any sort of working class perspective. There is no adequate history of struggle from this point of view. On the other hand, there is a considerable quantity of information on capital's problems, strategies, and tactics. And, from these, we can at least begin to see where to look and how to look to find what we need.

The theoretical and political perspective laid out above suggests that we must recognise that, at least from the time of British conquest, India was an integral part of the global capitalist system. As the colonial government and mercantile capital reached into, and began to exploit, the mass of the Indian population, they were converted from simple peasants, tribal people, etc, into an actual or latent working class for international capital. The fact that most of these workers were not waged does not change the situation as we have seen. Their labour was now producing both workers and surplus value, which were part of the expanded reproduction of world capital. Colonial rule was imposed on a pre-existent social order which itself had a certain division of labour and system of exploitation — one which was fraught with its own complex class contradictions and social struggles. That division of labour and exploitation which the British representatives of capital began to transform involved primarily local production and local appropriation with some hierarchical draining of surplus upward the Moghul Emperors. A first step in beginning to re-examine Indian history from a working class viewpoint, must involve a specification of the nature of struggle by the various groups of workers in this pre-colonial period. We need to know not only how the peasants, artisans, and other workers were traditionally organised and divided — and there is quite a bit of information available about this — but, more importantly, what was the character of the struggles of these different groups of workers and what was the nature of the means of repression and control of those struggles.

The way the British (capital) seized upon the pre-existing forms of social organisation and began to reorganise them, is also fairly well known. They retained those forms which they could use — such as most structures of pro-

duction — and changed others when they felt it was useful (and feasible) to facilitate the expanded exploitation of the working masses of India. One of the best known cases is the introduction of private property — especially state ownership of land that was not in private hands — which allowed a shift from direct coercive control over the rural labour force to indirect compulsion: threat of starvation. This shift in India, of which the best discussion in the Indian debate is that of Alavi, also occurred in many other colonial areas, but often only after a prior period of direct coercion of labour — such as slavery in the Americas — for production for the world market. This shift was accompanied by an expansion of mercantile capital and State demands for land revenues, which together brought about the reorganisation of the economy away from local production and appropriation toward the needs of capital's international division of labour and demands for raw materials and markets. These changes, which we are now looking at from capital's point of view, were the results of capitalist planning; and it must be recognised that the colonies were one of the first major experiments in the planned social engineering of working class organisation by capital through the state. The organisation of the colonial world within the global capitalist system, and according to its needs, constituted nothing less than capitalist planning on a world scale.

The fact that the colonial world was not ruled by a single nation but was divided into a series of national blocks does not change the nature of the planning, it only suggests that the effort was subdivided and not always coordinated. As with sex, race, and caste we must begin to rethink the role of national differences within capital. Not only differences between colonial powers (Lenin's focus) but between coloniser and colonised. In India, for example, I understand that the early period of colonial contact was often characterised by very little differentiation between English colonialists and the Indian elite who exploited the working class jointly and in harmony. Cornwallis was only able to impose the sharp English/Indian national division among these managers of capital by creating a wage hierarchy which put the English well above their Indian counterparts, thus founding the subsequent social and political cleavage.

As Baran, Frank, and others, have since pointed out, there is no way we can understand the reorganisation of the colonies except within the context of the global system. To understand what the British did in India, we must understand why they were there and how the changes in India were linked to changes in England and the rest of the capitalist world. This usually includes an analysis of the drain of surplus and the pattern of development and underdevelopment which has been part and parcel of the shifting structure of world capital. From Lenin's theory of imperialism based on capital export and the search for raw materials, through Luxemburg's theory of the need for markets, to Baran and Sweezy's theory of the problems of disposing of the surplus, and Frank, Amin and Emmanuel's focus on uneven development, we have seen attempts to understand the ties between the organisation of the underdeveloped world and the metropolis or centre. But, as I pointed out above, all of these theories look at the question totally from capital's point of view. If capital must be exported, markets developed, the surplus disposed of, or the rate of profit maintained on a world scale, the source of these needs is always said to be located in the dynamic of either inter-firm or international competition between different capitals. As a result of these autonomous developments on capital's part the working class may benefit (Lenin's labour aristocracy) or it may be victimised (the super exploited of the Third World) but almost nowhere is it recognised as a source of autonomous power whose struggles with capital are integral to these national and international movements.

The perspective which I have outlined above suggests a different approach — one which takes seriously the notion that capital is a social relation of class struggle — which sees these international movements of capital which constitute imperialism, or capitalist accumulation on a world scale, as moments of that struggle. Capital flowed out of England and into the Americas or India, not simply because of business competition or the search for markets, but because the internationalisation of the exploitation of labour helped English capital maintain control at home and then globally. The struggles of the working class in England to raise its wages and to work shorter work days made a rise in productivity imperative for English capital to be able to realise relative surplus value. That realisation required expanded production which in turn required more raw materials and markets. Emigration of the unemployable from England also provided a safety valve for the pressures of the working class struggle. With the establishment of the colonies, the struggles within England and the colonies became inexorably linked — control of workers in the factories in Manchester was dependent on control over black workers in the American plantations and labourers and peasants in India and *vice versa*. Regardless where the surplus value is realised or reinvested, control over the working class is both the condition for, and the aim of, capitalism. Where it is possible to raise productivity, capital can retain its control despite the power of the working class to raise its wages and work less. Where it cannot, capital must either institute crisis by flowing out, or engineer the redistribution of value within the system. It is in this sense that the variations in the organic composition of capital and the rate of exploitation must be understood to

reflect the class struggle and how the resultant flows of capital between branches and the size of the aggregate surplus value is determined.

We know quite a bit about the history of working class struggles in the developed countries. We know less about those in the colonies and underdeveloped capitalist countries. When we look at agrarian India, the changes wrought by the British and the changes subsequent to independence, this is what we want to find out. The change in land ownership, the breakdown in the nature of pre-colonial labour control, the expansion of mercantile capital, the money lending, and the State exploitation mentioned above, changed both the extent and the structure of the exploitation of the Indian worker in agriculture. Most of the authors in the debate agree that the increased extent of exploitation resulted in a pauperisation of the peasantry (as well as those in handicraft production) along with a concentration in land ownership and control. There is some specification of the nature of these structural changes, although they get lost in the debate about how to classify them according to mode of production typology.

Of all the articles which appeared in the *Economic and Political Weekly* during the debate, and which referred to it, the one which gave the most detailed analysis of these structural transformations was that by Saith and Tankha — which examined a single village and studied its transformation, first under colonial land reforms and then under the impact of the market and the Green Revolution. They analysed the transformation of a feudal-like domination of labour into a hierarchical structure of peasant owner-operators during the colonial period and then a later shift toward a polarisation of rich/capitalist peasants and waged workers, a movement which was accelerated by the Green Revolution. Unfortunately we are given little or no information about the character of struggle during these periods and thus can formulate no notion of the way those struggles affected these changes and were transformed by them. Others among the authors, such as Patnaik and Chattopadhyay also deal briefly with such structural changes, noting shifts from slave and serf to wage labour in Southern India etc, but they too fail to discuss the character of the class conflicts involved. There is some discussion of the relation between the situation in the countryside (the pauperisation of the peasantry, if not their struggles) and the degree of industrialisation in India, and of course the colonial drain.

But this is limited largely to noting that the low level of industrialisation kept the number of wage jobs down and the drain and the structure of the colonial division of labour were responsible for the low investment in industry. What we need to know, however, is the way this drain and structure of industrial/agricultural production were part of the global organisation of capital in its struggle with the working class everywhere. Banaji, and many others, dwell on the fact that not all colonial areas were drained and reduced to pauperised areas — the US, Australia, Canada, etc, were foci of considerable capital investment and grew to be major centers of the capitalist world. Why was India drained? Why was industrialisation low in India and high in US in the nineteenth century? Why was it low in India and high in Taiwan, Korea, etc in the 20th? If it is true that capital has a tendency to flow into those areas where it can earn high profits, *ceterus paribus*, and if it is true that the major factors in high profits are high rates of exploitation and productivity and that one of the major determinants of both of these is the class struggle then an examination of the latter would certainly seem to be called for in order to understand the lack of industrial investment in India, in both the colonial and post colonial eras.

Now, whatever the details of the agrarian (and urban) struggles in India we know that in general it was considerable during the colonial period and that during the independence movement it was mobilised by a variety of elite groups in and around the Congress to fight the British. This mobilisation, as I mentioned earlier, involved the co-optation of those struggles of the peasantry against their immediate exploitation, e.g., by landlords, etc. Alavi brings this out, for example, with reference to Gandhi and the no-tax campaigns against the British Raj. In India, as in many countries of Asia, during this period, the initial post-independence capitalist strategy to diffuse peasant unrest through land reform gradually gave way to the demands for higher production, and the agrarian strategy of the 1950s was limited to Jimmy Yen's community development approach and to Vinoba Bhave's *bhoodan* campaigns, both of which were as much methods for fighting revolutionary peasant movements as programs of rural reform. Like land reform, however, to be successful these approaches demanded a reorganization of rural power relations which would undercut traditional landowner hegemony. For the same reasons, land reform in India has been a consistent failure so too were community development and the *bhoodan* failures in the 1950s (26). Peasant struggles continued, (as did those of city workers) and this development strategy had to be abandoned. To understand this failure one must look at both sides of the conflict: the divisions within capital (between landlords, Indian industrialists and state bureaucrats, and the influence of the American experts) and the struggles of the Indian peasantry which put them beyond capital's ability to control through this approach.

Once again, it must be emphasised that this phase of capital's attempt to control and pacify the Indian peasantry was part of an international policy of trying to undercut unrest among the rural parts of the working class —waged and unwaged — in Asia and elsewhere, through development and structural change. There was no doubt that the plans of the American and Indian experts dealt with the mass of Indian workers in agriculture as part of the working class. Nor can there be any doubt that the structure of that part of the working class was complex and kept under control only through many divisions and engineered intraclass conflicts. Once you look at capitalist planning closely, at its attempts to engineer changes in the divisions of the working class, at its attempts to reorganise the class to weaken it and undercut its power to either resist capitalist exploitation or to mobilise offensive demands for more wealth, then the attempts by Marxists to divide, classify and label different sections of the working class according to this or that mode of production in order to estimate empirically the degree of 'capitalist' development in agriculture, can only be seen as beside the point.

What we want to know is how the working class is composed. What portion is waged, what unwaged. What is the wage hierarchy. What are the divisions of the unwaged. We also want to know the content of the struggles of these divisions of the class, how they have developed and how they circulate. This is not a taxonomy but a study of the changing balance of power between the working class and capital, and within the working class. We know that all these divisions of the class are being exploited by capital one way or another — the real question is the status of working class power to refuse that exploitation. To estimate that we must examine its struggles, its organisational forms (trade unions, parties, peasant groups, informal alliances, etc), and the relation of those struggles and organisations to capitalist planning and strategy.

The period of the Green Revolution, whose rapid changes triggered the debate over the mode of production in Indian agriculture and the search for an understanding of those changes, was the outgrowth of a second phase of capitalist initiative in agriculture (26). After the failure of the community development drive to stem peasant unrest in the countryside, capital turned around from a direct engineering of social change to a focus on technological change and increased production. The idea was not new, only its implementation in India as a national strategy was. Since the thirties in China, through the rice politics of the 1950s in Southeast Asia, international capital had thought that increased food production was a key to stemming peasant unrest and a better long-term solution than recurrent military repression. That was the line which was finally implemented in South Asia by American AID specialists, foundation experts, and their proteges in the Indian and Pakistani governments. First the IADP and then the New Strategy pushed along by famine and the short-tether.

In the face of changes brought about by this shift in strategy — the increased, not reduced unrest, the apparent expansion in the number of wage workers and a decrease in the number of sharecroppers and other tenants — capital started pouring money into research to find out what was happening. But, unlike much of the Marxist debate, capitalists scholars focused on the key issue: changes in the nature of the class struggle — both its structure and its intensity. From the observations of a Wolf Ladejinsky to the more careful surveys of Francine Frankel or Keith Griffen, there has been an attempt to specify these changes in struggle and therefore the changing challenge to capital. It had implemented a new strategy after an earlier one failed, and then it wanted to know what the outcome was. While there has been some similar questioning by Marxists, far too much time and energy has been drained uselessly because of the adoption of a theoretical framework which obscures rather than illuminates the key issue.

What was the outcome of these studies? The answer is not yet clear but there are very strong indications that capital has seen the links between the continuing struggles in the Third World and those in the First which raged in the 1960s and has drawn the proper conclusion : namely, that working class struggle has been posing an uncontrollable threat to its ability to impose work and exploitation throughout the world. The third cycle of struggles, which I described above, was not a simple aggregate of diverse conflicts between diverse classes but formed a global working class challenge to a global capitalist system. The struggles in Berkeley and those in Vietnam were intimately linked, as were those in Paris and Chad, or Berlin and Turkey, or London and Calcutta and Jamaica, or Lisbon and Angola and Mozambique, etc. Everywhere that capital's strategists have turned, they have seen the working class out of control. (Trilateral Commission, "Crisis of Democracy") There have been a diminishing number of havens left where capital could count on an adequate degree of control over the working class : Brazil, Iran, Taiwan, South Korea and a very few others. As a result, it appears that, faced with this crisis in its social control capital has responded with a global, long-term crisis of its own for the working class —

depression in the US and Western Europe, starvation in India, Bangladesh and the Sahel (25). The whole structure of the capitalist world is being shaken up with previous centers of capitalist accumulation being underdeveloped and others, once peripheral areas becoming new centers of rapid development with inflation being used to transfer value out of areas of high wages (strong working class power), and into areas (like oil) where small numbers of workers can be more easily controlled and capital is free to raise the organic composition rapidly, yet maintain high rates of profit.

The implications of this new capitalist strategy of the 70s for India may be far-reaching. Worldwide inflation of the prices of oil, fertiliser, and machinery, all necessary for agricultural development, tends to underdevelop agriculture and reduce the growth of food output. After 20 years of development strategy which failed to contain working class struggle in rural India has capital decided to apply an underdevelopment approach to starve, and sterilise the working class of the subcontinent into submission? Has capital decided that the continuing refusal of Indian workers both in the fields and the cities to submit to work discipline at either low or high wages will be countered with hunger? Certainly, that is the pattern in the North Atlantic where a massive attack on working class standard of living is underway. The strategy appears to be global with the multinational corporations, the international aid agencies, like the World Bank, the DAC, etc, and the new centers of concentrated control over capital like the OPEC governments able to supply or withhold vitally needed food and agricultural inputs, through aid, price manipulations, and control over surpluses. These last two appear to be the key instruments of food politics of the crisis which will be wielded to direct food to those areas where the working class has been defeated, or can be co-opted, or has the power to demand it, and to withhold it from others.

In order to understand the present status of the class struggle in any area and the prospects and possibilities we must not only examine the particular way the working class has been organised and exploited but also the way it is affected by the current international crisis which capital has instituted. We need to know the level of power of particular segments of the class and the way their power is bound up with other segments to estimate what is the best strategy to adopt in this period. Capital has initiated world crisis in response to the growth of working class power not in response to working class weakness. This is important to understand to avoid either the council of despair or of defense. In the US and Western Europe to date, the crisis has failed to stem the demands of the working class for higher wages. In New York today employees continue the wage offensive despite a high rate of wagelessness and lay-offs. In order to avoid a social explosion the city government is forced to pay very high unemployment compensation to laid off workers and welfare payments continue to climb. These developments are paralleled in Europe and Japan and are blunting the effectiveness of this attempt to use crisis to discipline the work force. Capital can try to impose discipline but that does not mean that it can succeed, even with the most brutal exercise of force. It 'was successful in disciplining the working class in Brazil for example but it has failed so far to do so in Chile and because of this it is apparently afraid to try the same strategy in Argentina. In each area of the class struggle the case will differ but this is the kind of assessment we need.

What about India? From what little I know about the struggles in India in the post-war period the failure of capital to discipline the working class seems obvious. From rural land seizures, wage struggles, and armed revolution, in various states, to uprisings of students and workers in militant strikes, *gheraos*, *bandhs*, etc, in the cities, the working class has shown an incredible strength despite periodic defeats, famine and state repression. Just what are the strengths and weaknesses of different sectors right now? Can the Indian working class be divided up and selectively starved, sterilised and bludgeoned into submission without mass upheaval? The answer to that question will come partly from an evaluation of the structure and power of the class and partly from the results of the strategies which are adopted.

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** These prefatory paragraphs were added by the editors of the *Economic and Political Weekly*.

Bibliographical Note

[Since this paper is addressed to a group familiar with the literature and debates in the field I have accorded myself the liberty of restricting my references only to those articles of the Indian debate with which I am familiar (so that you can see what materials my, evaluation of the debate is based on) and to those of the alternative perspective I present (material with which I expect my readers are less familiar).]

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