



WORKING PAPER

Working Paper No. 73
Social Formation and Internal Structure
by
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Abstract and Acknowledgement

Unlike the general theoretical conjecture that capitalist structure always destroys all the precapitalist structures, recent studies in the political economy of underdevelopment have shown the processes to the contrary. The rigorous studies on underdevelopment have shown that while sometimes capitalist structure does dissolve its prehistorical form, the latter also survives healthily by interacting with the capitalist structures, and vice-versa. The processes of dissolution and interaction differ across time and space. This paper deals with the methodology of studying these processes and highlights the variation in the processes across time and space with the help of three case studies.

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Contents

	<u>Page</u>
I. Introduction : Context and Issues	1
II. Issues in Social Formation	9
III. Internal Structure	12
IV. Schematic Presentation of a Social Formation	25
V. The Concrete	33
Concluding Observations	53
Bibliography	56

Social Formation and Its Internal Structure

I

Context and Issues

The literature on the political economy of under development made considerable efforts to characterise the economic structure of the underdeveloped countries. This literature defines economic structure as a configuration of productive forces and production relation only, but the definition must be extended to include the other influencing factors like polity, ideology, culture etc. contained in the superstructure. In order to characterise the structures, the political economy of underdevelopment raises questions as to 1) whether the underdeveloped countries could be characterised as capitalist structures? If so, to what extent, or have the capitalist structure been able to rout the precapitalist structures completely? Are there possible conditions for an independent development of capitalist structures? Due to failure of the underdeveloped countries to industrialise their economy after the World War II these question sprang into life.

Answers to these questions are varied, yet a broad grouping of different Marxist thoughts on these questions is possible. Paul Baran(1962) opined that the underdeveloped countries are foredoomed to stagnation due to colonial, imperial pressure. Advanced capitalist countries take away a bulk of the surplus generated in the underdeveloped countries, leaving little to the latter to invest for industrialisation

Based on Baran's suggestion Frank (1967) characterised the underdeveloped countries, mainly of Latin America, as capitalist, but dependent on and allied with the capital of the advanced imperial nations. In fact, Frank builds up a formal model in which he argues that once the former group of countries were colonised it became integrated with and dependent on the advanced capitalist countries. He suggests

that there is an alliance between the elites of the under-developed countries who earn profit from the export of primary products, like agricultural produce and mineral, and the capital of the advanced countries which export the industrial products to the former countries. On the criterion of profit alone Frank concludes that there is capitalism in the under-developed countries. Hence it is a world wide capitalist system, albeit dependent. This approach clearly suffers from the lack of historicity and proper characterisation of capitalism. What is missed is the structural aspect of capitalism, such as the existence of free wage labour and changes in the productive forces as might be reflected in the nature of industrialisation in the underdeveloped countries.

To the contrary, other studies show that it is difficult to characterise the underdeveloped countries in terms of either completely capitalist structures or precapitalist ones. There is little doubt that due to colonial integration most of the underdeveloped countries have imbibed some characteristics of capitalist structure, but capitalism in these countries has remained retarded and consequently development itself is retarded (Bagchi 1982). Bagchi defines retarded development and retarded capitalism in relative terms, as not having a scope for reinvesting the generated surplus to the fullest extent within the underdeveloped countries. For under the colonial rule and the post colonial domination of foreign capital much of the surplus generated in the underdeveloped countries is transferred to the metropolis; an argument in line with Baran's. Hence little surplus is retained for the furtherance of productive forces, consequently the possibility and pace of capitalist expansion, i.e. the reproduction of capitalist structure on an expanding scale by dissolving the precapitalist structure, gets stunted. Bagchi says more categorically that the survival of the precapitalist structure, alongside capitalist structures in the underdeveloped countries, itself implies a retarded

capitalist development (P.167). In Bagchi's analysis we see, unlike in Franks, the coexistence of different structures within the underdeveloped countries. Yet the nature of coexistence is not generalised across countries. In fact, it is suggested that the configuration of the structures differs widely across the countries, and the study of the underdeveloped countries require different treatments according to the specificity of the countries' present structure and past history (Bagchi op.cit.

We do not go into further detail of different schools of thought in treating the questions posed above.¹ But it is clear that the characteristics of underdeveloped countries when rigorously studied, reveals more of a combined, heterogenous capitalist and precapitalist structures than of a unique world wide capitalism. Also the variation of this combination across the countries suggests that the analytical efforts, to arrive at a meaningful conclusion, be directed towards more specific, concrete studies. From this certain methodological questions arise.

If the underdeveloped countries are characterised by combinations of capitalist and precapitalist structures, how does a capitalist structure relate itself with the precapitalist structures, not in static but in a dynamic process? Before an inquiry into this dynamic relationship we may define the terms capitalist and precapitalist structures. Capitalist structure implies that the direct producers are separated from their material conditions of production (means of production). In this separation, the means of production and the product of labour belong to the owner of means of production, the capitalist.

1. See Palma (1981) for a comprehensive review of different schools of dependency and underdevelopment theories.

class. The direct producers merely possess their labour power. In the precapitalist structures the direct producers own their means of production as well as the product of labour. It is immaterial, for the present, whether in a precapitalist structure the means of production are held by the producers as individual or communal property.²

The dynamic relationship between the capitalist and precapitalist structures is not unique. In the writings of Marx, Engels, Luxemburg and Lenin, among others, the dynamic relationship between the two structures seems to be derivable from the use of the terms themselves - capitalist and precapitalist structures. Precapitalist structure is a pre-history of capitalist structure, as it were. In this the reference point is the capitalist structure. Accordingly, these writers postulated that there is a unilinear historical movement of precapitalist structure dissolving into capitalist structure. That is, the process of expansion of the capitalist structure removes the precapitalist structure by separating the direct producers from their own conditions of labour.

As against this postulation, we have seen that the concrete studies of underdeveloped countries show that there exists a combination of precapitalist and capitalist structures, despite these countries' long association with the advanced capitalist countries. This belies the notion of unilinear movement in

2. Here the emphasis is mainly on the relationship between the producers and the means of production. But these relations have connotation for productive forces and superstructure as well.

history. Then how do we conceptualise the dynamics of the combined structures? To this end, we may mention that though Marx and early Marxist writers, as mentioned above, postulated a unilinear movement of history, Marx and Lenin cautioned against generalisation of this pattern of movement. They suggested that the process of capitalist expansion faces considerable obstacles in displacing the precapitalist structures. While we have deferred the conceptualisation of combined structures to Section II, we shall try to arrive at a more precise formulation of the same problem from the hints provided in the analyses of unilinear historical movement towards capitalism and the obstacles against this movement

Marx postulated unilinearity of history, based on the theory that capitalist structure of production once established, dissolves in its process of expansion all the precapitalist structures. A clear expression of this view is found in the Communist Manifesto (Marx and Engels 1975, pp45-46). Such claim about dissolution of precapitalist structure of production is based on the experience of actual dissolution where capitalist structure of production did destroy its prehistorical forms, particularly in the U.K.³ While this formulation is true only in a historically specific case of U.K. or may be entire Western Europe, Marx had extended the same argument of dissolution process to other precapitalist countries, namely to colonial India and China, India and China in Marx's vision were 'unchanging' Asiatic societies whose inertia could be broken only by imposition of capitalism from outside, i.e. capitalist colonialism. This process of

3. Even in England, as late as 1831, the existence of various artisanal groups, belies the complete dissolution of the precapitalist production (See E.P.Thompson, 1980, pp.259-60). Also the dissolution of the precapitalist production in England must not be taken, according to Richard Jones, as a safe universal example. (See K.Marx 1978 Theories of Surplus - Value Part III, p.431.)

intervention would disintegrate the traditional societies and regenerate a movement towards capitalism. He even remarked, 'British cannot avoid industrialising India'. Marx therefore, asserts that capitalism will develop in the precapitalist colonies also.

A more rigorous theoretical analysis of capitalist expansion and the destruction of 'natural' economies was put forward by Luxemburg (1968). She argued that in a generalised commodity production, a characteristic feature of capitalism, the capitalist reproduction and accumulation proceed through the accumulation of realised surplus-value. In the abstract model of extended reproduction, provided by Marx, it is shown that the capitalists require an inducement to invest for ever increasing scale of production. This inducement to invest, i.e., the effective demand, is unlikely to arise from within the capitalist reproduction alone and for the capitalist reproduction to be sustained there is a need for a market outside this reproduction scheme (ibid, chap.XXVI). Contained in this is the fact that surplus-value cannot be realised within the extended capitalist reproduction scheme. It has to be realised in the external markets, where precapitalist order exists. For Luxemburg, the external markets are not territorial entities, but the precapitalist societies. How will the precapitalist societies buy the capitalist commodities, if there exists a 'natural' economy? Luxemburg's answer, drawn from the history of colonisation, is that the capitalists will destroy the texture of 'natural' economies, introduce commodity production, eliminate peasant production etc. (ibid, chap.XXVII-XXIX).

The problem of realisation of surplus-value, however, arises due to a more fundamental problem of capitalist reproduction. It arises according to Lenin (1977) from the unevenness of development inherent in capitalism. Whereby one branch of production outstrips the others and strives to transcend the

bounds of the old field of economic relation (ibid p.527). He suggests further that a similar problem of imbalance can arise in the case of an individual capitalist production also making it necessary for him to seek markets outside the sphere of reproduction of aggregate social capital. This underlies the tendency for the capitalist producers and merchants to reach out to other forms of production. Once the capitalist market expands, it tries to reproduce its own form (ibid,p.67), and in the process eliminates the precapitalist forms of production (ibid,p.600). So far Lenin seems to have subscribed to the notion of unilinear historical movement towards capitalism. The Narodnicks contested this observation. Along with this, the actual slow pace of capitalist development in Russia led Lenin to reconsider the observation about the triumph of capitalism. He considered the possibility of retardation of the process of capitalist expansion, or of the creation of a commodity economy, due to the persistence of older institutions (ibid,p.598). In this context of slow pace of development of capitalism in Russia Lenin wrote '...in no single capitalist country has there been such an abundant survival of ancient institutions that are incompatible with capitalism, retard its development...' (Ibid, p.607).

From Lenin's observation above we can infer that the capitalist development in backward areas stands only as a possibility. Its final or actual result depends upon the resistance capacity of the precapitalist structures. Marx also voiced the same concern in the context of merchant capital intervening into the precapitalist structures. He wrote:

To what extent it (merchants' capital) brings about a dissolution of the old mode of production depends on its (old mode's) solidity and internal structure. And whether this process of dissolution will lead, in other words, what new mode of production will replace the old, does not depend on commerce, but on the character of the old mode of production itself (Capital III, p.332 emphasis added)

Therefore, how far or how soon a precapitalist structure will get dissolved because of capitalist market penetration cannot be prejudged based on theoretical speculation alone, as done by Rosa Luxemburg. As we saw in Marx's and Lenin's citations, the capitalist process of expansion faces severe obstacles from the precapitalist structures. Conversely how far precapitalist structure can resist/^{an}onslaught depends on the character of the former-its solidity and internal structure. That is, the nature of obstacles posed by the precapitalist structures needs to be found in their internal structure itself. Put this way, it is at best a negation of the unilinear movement towards capitalist development.

Alternatively, apart from the obstacles, the possibilities that the precapitalist structure may remain less than completely destroyed, and that they may even influence the process of capitalist expansion, in some way or other, are relatively neglected issues. In fact, it has been noted that the retarded capitalism in the third world countries may even encourage, or entail precapitalist relations of production (Bagchi, opcit p. 159). If we recognise these possibilities, which will be borne out by some concrete historical experience provided later, then historical unlinearity of precapitalist structure dissolving into capitalist organisation of production comes into question. If we recognise the possibility that the precapitalist structures can also influence the functioning of the capitalist structure, either negatively (by refusing to be dissolved), or positively (by helping and transmitting some of its characteristics towards the capitalist structure), we can say that various social structures co-exist, interact and produce a social formation which needs to be studied.

II

Issues in Social Formation

Social formation can then be defined as a concrete combination of different economic structures.⁴ This definition helps us to incorporate plurality and heterogeneity of the structures. The existence of plural, heterogeneous structures obviously implies that there are many structures and none is identical, in all respects, with another. Then we have each structure as a specific combination of its elements - productive forces, production relation and superstructure. Each such structure is a productive unit, which has a specific combination of the elements different from the combination of elements in other units. The particular combination of elements obtained within a unit can be called the internal structure of that unit. Social formation therefore, is a combination of various internal structures.

The 'combination of internal structures' implies that these structures are related with, rather than being isolated from, one another. Hence an internal structure of a unit is related with

4. Sometimes social formation is defined in a different way which runs into a problem. Anderson (1974) defines social formation as 'a concrete combination of different modes of production...' (p22 emphasis added). Mode of production is an abstract-formal object, whose definition is conditioned by the compatibility among its elements - productive forces, production relation and superstructure. In that there exists no role of contradiction (incompatibility) amongst the elements of a mode of production. Consequently there is no root provided for historicity or transition. In reality contradiction amongst the elements of a mode always exists, though it may produce discontinuous change. If we allow for the role of contradiction amongst the elements mentioned, we cannot dwell in the realm of mode, which is an abstract formal category. For this reason we have used the term structure, which includes the elements, productive forces, production relation and superstructure, as well as the contradiction among the elements. In this sense the term structure contains a historical dimension, as against mode of production.

other units, which stand as externals to the unit of reference. That is, the internal structures interpenetrate among themselves. Since every internal structure of a unit has its unique law of motion, then the coexistence of more than one structure can be contradictory to one another. Hence the process of interpenetration creates contradiction among the elements within the internal structure of a unit, and as between the units. The contradictions within a structure and between the structures produce historical movement in all the units of a social formation, though the movement is not necessarily continuous. Hence social formation itself produces historical movement. Questions arise as to what will be the nature of change, and how do we study the change.

As for the nature of change, we see that each unit in a social formation exists in interpenetration with others and each loses its given characteristics implying a change in either productive forces, or production relation or superstructure of all of them. Depending on the nature and strength of internal structure of each unit, the process of interpenetration retains certain features or destroys them in all the units gradually. This gradual process of transformation under certain specified external conditions, has been very aptly described as a 'conservation-dissolution' process (Bettelheim 1972, pp.297-8)

Next question is how do we study the change in a social formation. Apparently the definition of a social formation indicates that we study the dynamics of internal structure of all the units that constitute a social formation. But it is clear that we cannot study each one of them as a single entity, for no one unit exists in isolation from other units. This is precisely the problem encountered in micro level concrete study, where all units in a given synchrony exist in interrelationship with one another. Hence, if an internal structure is to be studied in a synchrony it must be placed in relation to the external units. Each unit of a synchronic structure has

historically evolved (Bhaduri and Sud, 1981). Hence in order to understand the internal structure of a unit what is required is to trace its history. But how to trace the history of a unit, if it is in a process of interaction with other units? At every stage of intervention a unit may internalise the influence of the external or repel it. Hence an uninfluenced unit back in history may never be found. But what is possible in the micro level concrete study of a unit's internal structure is to study it over a period of time. In that the initial condition must be specified and the tendencies of change, such as 'conservation-dissolution' process or a complete 'dissolution' process, that results from the interaction between the units in a social formation need to be captured.

Foregoing analysis may be summarised as follows: Marx and early Marxist writers' notion of unilinear historical movement of precapitalist structures dissolving into capitalist structures, all over the world, has not been borne out by the concrete studies of the contemporary Marxist writers. In the Third World countries what we find is an admixture of capitalist and precapitalist structures, interacting with one another leading to a difficulty of characterisation of these countries in terms of a mode of production. This difficulty has led us to the notion of a social formation which is capable of capturing the diversity of structures and of analysing the specific historical processes that the underdeveloped countries experience. Social formation is defined as: a collection of productive units whose internal structures are always related with one another. From this notion of social formation we have tried to spell out the difficulty of studying the process of change of a (micro) unit. With this background we now turn to the method of studying the internal structure of the units in a social formation.

III

Internal Structure

Every society is constituted of two basic combined processes- Man-Nature (MN) interaction and Man-Man (MM) interaction. Society attempts to reproduce itself by reproducing these two combined processes. This completely defines a society "in process" in terms of MN and MM interactions. These interaction processes exist in all societies at all times. Therefore, these are transhistorical concepts of a society "in process". But the nature of MN interaction and that of MM interaction differs across of time and space. So does the combination of the two processes. The transhistorical concepts become historical concretes through changes in their forms over time. In history, societies differ because of concrete differences in the forms of MN and MM interaction processes and the specific combinations of these forms of processes. These concrete forms of interactions and their specific combination in time and space defines the boundary of a social unit and hence constitutes the internal structure of the unit. Internal structure of a social unit, therefore, has a historical dimension- specificity and concreteness of form. Therefore, to arrive at a real notion of the internal structure of a unit we need to reconstitute the concepts of the processes that are still transhistorical. Hence we shall first deal with the concepts of MN and MM interactions and then with the analysis of internal structure of a unit.

3.1 Man-Nature Interaction.

For the sustenance of material wants of any social unit Man-Nature (MN) interaction assumes a crucial role. In Marx's analysis of this aspect a number of other aspects of social importance emerges, for man participates in the appropriation of Nature within a society and is conditioned by it. By

appropriating Nature man obtains objects that satisfy social wants. In order to identify the contents of the Man-Nature interaction we shall follow Marx's analysis of labour process, on which he writes:

Labour is, in the first place, a process in which both man and Nature participate, and in which man of his own accord starts, regulates and controls the material reaction between himself and Nature...

The elementary factors of the labour-process are 1, the personal activity of man, i.e. work itself (labour), 2, the subject of that work (labour), and 3, its instruments.

An instrument of labour is a thing, or a complex of things, which the labourer interposes between himself and the subject (which is being transformed into products) of his labour,

(Capital I, pp 173-4, emphasis added).

During the labour process man appropriates Nature, by setting the labour power in use, i.e., labour. That is, man works on the subject of labour - be it land for agriculture, hunting, gathering; or raw material in industrial processes. The instrument of labour, that is interposed between the labourer and the subject of labour, in its material form is a produced means. It acts like extended human limbs, never on its own but guided by human brain and body muscle.

In the first statement of labour process Marx indicates that man 'starts, regulates and controls the material reaction between himself and Nature'. By this Marx compares man with other animals to bring out what stamps the labour process as exclusively human. Man imagines the process and is conscious about the purpose (specific task) before the commencement of the labour process and then 'starts, regulates and controls' the labour process of his own accord. That is, man dominates over the other elements of the labour process and also subjects Nature to the purpose of acquiring the objects needed to meet

the social wants. However, the end result is the extraction of the object that satisfies human wants.

From the above observations on MN interaction we may note the main points indicated by Marx: 1) Man's procedure of appropriating nature. 2) Man has ideas/imagination which shapes the nature of labour process. In that man stands out as a complex whole in which his role as a labourer is a part.⁵ 3) Man brings Nature under his domination to the extent his knowledge permits - 4) there are three basic elements of labour process, labour subject and the instruments of labour.

Marx refers to man, in MN interaction, as an analytical category to bring out various facets of human interaction with Nature. He was treating them as transhistorical concepts. But his actual emphasis was always on social production and the productive forces. For Marx, "individual producing in a society, and hence the socially determined production of individuals, is of course the point of departure". (Contribution ... 1978, p.188 emphasis added). The socially determined production is not an individual activity, rather there is cooperation amongst men in the labour process. In the context of reproduction of social life, Marx and Engels (1976) write:

The production of life, both of one's own in labour and of fresh life in procreation, now appears as a twofold relation: On the one hand as a natural, on the other as a social relation -- social in the sense that it denotes cooperation of several individuals ... mode of cooperation is itself a "productive force..." (German Ideology, pp. 48-9, emphasis added).

5. We keep the statement at an abstract level, for its proof is beyond the scope of the present analysis. But the hint is that human being itself is a productive force, for it contains 'knowledge' of the productive process. Human knowledge also extends beyond productive process and is linked with other spheres, such as ideological, cultural, political etc.

Thus we see that within a labour process, i.e., in MN interaction, along with the three elements (1)-(3) there is a Man-Man(MM) interaction i.e. cooperation. The mode/form of organising the elements of labour process and the cooperation define the productive forces. The form of cooperation (MM interaction) and the socially determined form of labour process lie in the realm of history. But here we have dealt with only the concepts that are transhistorical. In that we find that MN interaction is not a technical process alone, but also involves MM interaction. The mode of combining the technical and social processes (cooperation) in a labour process represents the productive forces.

There is yet another MM relation in connection with some elements of the labour process which shapes the organisation of production (productive forces). It is the property relation, defined by different social groups' relationship with the means of production (instruments and subject of labour). It can take various forms, such as individual private ownership or possession, communal/collective ownership or possession etc. of instruments and subject of labour. In the first case, if a group of individuals privately owns or possesses the means of production it may imply the non-ownership or non-possession for some other groups, i.e. exclusion of one group of individuals against another group, whereas under communal or collective possession no one is excluded. The specificity of the forms again lies in the realm of history. But what we may note here is that another type of MM relation, apart from cooperation, exists in connection with the elements of labour process and has a bearing on the mode of labour process (productive force). It is, in fact, a social relation spanning beyond the mode of labour process.

3.2 Other Man-Man (MM) Interactions

There are other spheres of MM interaction, such as political, legal, religious, cultural etc. These are the institutions that reflect collective action of all the members of a society

irrespective of their participation in labour process. These institutions are contained in the term superstructure. This sphere of MM relation has a bearing on the sustenance of both the societal processes, broadly described as MN and MM interactions in 3.1. In fact, the superstructure is necessary to maintain the productive forces and the property relation, and is described by Hindess and Hirst (1978 p.57) as the conditions of existence of production organisation - mode of labour process (i.e. productive forces) and property relation. That is, without a particular type of superstructure a particular type of organisation of production cannot be sustained. Hence, MN and all types of MM interactions are inseparable from one another. We shall discuss in some detail the enmeshing of these two societal processes in subsection 3.3.

So far we have derived from general concepts of societal processes - MN and MM interactions - somewhat more specific conceptual categories, such as the productive forces, property relation and the superstructural relation. We have also tried to suggest that these categories are interactive and enmeshed, and hence no causal determinacy among these categories exists. We dealt with them at a conceptual level as transhistorical categories. These are necessary concepts to constitute an internal structure of a social unit, but do not help characterise the internal structure, nor do they define the boundary in time and space such that one internal structure differs from another. In the context of a social formation we mentioned already that heterogeneous units exist. Hence to define an internal structure of each social unit meaningfully we need to specify concretely the nature of the elements and their specific combination. This, as we suggested in section 3.1, leads us to define the internal structure in a historical context. In other words, historical specifications of the elements and their combination, which are concretely different in time and space, must be provided to characterise an internal structure of a unit.

3.3 Towards Historicity of an Internal Structure

In this subsection we shall use the transhistorical conceptual categories -- productive forces, property relation and super-structure. But attempt here is to identify the specific forms of each of these categories and specific form of their combination. If we can identify these forms, we are able to characterise the internal structure of a social unit. Since we are transcending from transhistory to history, we need not only a characterisation of the internal structure but also the root of its change. To this end Marx's treatment of capitalist structure contains a thorough characterisation. We may begin by Balibar's treatment of the capitalist structure, derived from Marx's Capital, and proceed to develop and modify the approach from our critique of Balibar.

Balibar (1979) concentrates only on the material production within the capitalist structure, and describes the capitalist production in terms of the elements of labour process which we have already derived from Marx's labour process. He lists the elements specific to the capitalist structure:

1. Labourer
2. Means of production
 - a) Object (subject) of labour
 - b) Instruments of labour
3. Non-labourer.

These are the elements broken down from MN and MM process to represent the combination of a capitalist structure. The elements are further reduced to the following relations:

- A. Property connexion
- B. Real, material appropriation connexion (p.215)

We may add, C. superstructural relation, along with Balibar's connexions, A and B, for later use.

It may be noted that Balibar uses labourer as against Marx's description of elements of labour process in which what appears is only labour. Labourer, or man, instead of labour, is introduced to capture in one shot the two aspects, the mode of MN relation in process B (productive force), and MM relation, A (property relation/social relation) for which in the capitalist structure the third element non-labourer is also introduced. How is the capitalist structure represented? Balibar attempts to describe this structure by specifying the forms of A and B. We shall take up the relation B, first.

B. Real Material Appropriational Connexion:

In this the capitalist decides and controls the mode of labour process and the labourer executes the process. Here there is a cooperation yet the classes are divided. Balibar calls these two functions, within a labour process, the technical division of labour. There is a hierarchy between the capitalist and the labourer; one decides and controls and the other executes the labour process. The hierarchy, in the nature of decision and execution of labour process, implies a superordinate and subordinate relation between the respective agents - capitalist and labourer. Marx refers to this as subjugation of labour to capital, real or formal. This is necessary for the capitalist to extract surplus value from labour (Marglin 1974). This is about the mode of cooperation or technical division of labour. Secondly, for the mode of organisation of the labour process, Balibar describes two modes within the capitalist epoch -- manufacture with simple tools when labour is formally subjugated and modern industrial production with machine when labour is really subjugated to capital. The latter mode of labour process produced a complex technical division of labour or mode of co-operation and hierarchy. This reveals that there is a movement in the productive forces. (See for details Balibar, op.cit pp.233-40). However, the hierarchy and the form of real material appropriation relation B, are related to the form of property relation A.

A. Property connexion:

This in the capitalist structure implies that the labourer is separated from the means of production. The means of production, element 2, belongs to, or owned by the non-labourer, i.e., the capitalist (element 3), and on the basis of this the capitalist earns surplus value. Hence, at one level, there is a separation between the labourer and his means of production. Given this separation the labourer cannot set the means of social production in motion by himself, unless his labour-power is purchased by a capitalist, for a specified time period. Then:

...the labourer works under the control of the capitalist to whom his labour belongs ... The product is the property of the capitalist and not that of the labourer, its immediate producer ... (Capital I, p.180 emphasis added).

This is a separation at another level, between the labourer and his product of labour.

Thus the labourer neither owns his labour nor the means of production. Hence there is a double separation which is the historical characteristic of capitalist mode of production (Balibar op.cit., p.215).

In contrast, there is a double unity of a sort, in certain precapitalist structures, i.e., the labourer owns both his labour and the conditions of labour. Marx (1972) in his pre-capitalist Economic Formations, indicates the existence of double unity, where, '...Ownership of one's (own) labour is mediated through the ownership of the conditions of labour - the plot of land..' (p.74). Owner peasants, artisanal production, communal appropriation etc. characterise double unity. Here also the basic elements of labour process, we noted in subsection 3.1, and cooperation among men are present, but definitely in a form different from the capitalist structure. The point may be elaborated further to bring out the difference.

The double unity is obtained under varied conditions of individual relations within a community. Community can be described as an appropriational collective as well as an affiliational collective, formed by '... spontaneous evolution: the family, the family expanded into tribe, or the tribe created by inter-marriage of families, or combination of tribes' (ibid., p.68). The commonness arises from '...the common ties of blood, language, custom etc...' (ibid). However, how it is formed is not so important as the variation in the condition of relation among the individuals in a community. Marx identifies two such conditions in the context of precapitalist communal property relations -- free petty land ownership and communal landed property. Marx suggests:

Where this prerequisite (of individual's proprietorship of land) derives from the community, the others are his co-owners... Where it derives from the individual families which jointly constitute the community, they are independent owners co-existing with him, independent private proprietors. (ibid 67, emphasis original)

In the first case, individual's belonging to the community (affiliation) allows him to be a part of the appropriational collective - community. Hence community is the precondition for real material appropriation. The rules of the community demarcates between members and non-members which lie in the non-economic or the superstructural sphere. Among the members, the community stands as a wider social relation as well as a property relation (double unity). Since the community is both an appropriational and an affiliational collective, the communal organisation of production itself is a productive force. It appears strongly in the activities, like hunting-gathering, slash and burn agriculture, irrigation management etc. Such community characteristics may also be obtained in the second case of Marx's description. However, in describing the specifics of a community we have obtained the interrelationship among three vital elements - productive force, double unity (property relation) and the superstructure - all enmeshed in a community. Thus the precapitalist structures are

characterised differently from capitalist ones both in MN and MM interactions. The enmeshing of the elements does not appear in Balibar's analysis of the capitalist structure which makes the analysis incomplete. Further, the analysis misses out a number of other factors without which historical movement within an internal structure as well as a social formation cannot be analysed. We shall show the incompleteness, starting with the illustration of the role of superstructure in any given internal structure.

First, in a feudal system a serf will have to work twice - once on his own possession again on his master's farm. This way of extracting surplus labour in the form of labour-rent is so palpable to the serf that the use of political power, more generally extra-economic coercion, becomes a necessity. To the contrary, in a capitalist system, entire surplus value is hidden in the gamut of the exchange of 'equivalents', which is a false appearance.⁶ In capitalist structure, the economy becomes dominant over the non-economic institutions. But that does not justify the neglect of these institutions in the analysis. Balibar falls into this trap by treating the economic structure of capitalist system in relative autonomy from other institutions contained in the superstructure, such as political, legal, cultural, ideological etc. This seems to be somewhat arbitrary and inconsistent. The property relation and the contract between the labourer and the capitalist can only be protected under appropriate constitutional and legal institution. Therefore, even in capitalism superstructure stands as the condition of existence of the organisation of production (Hindess and Hirst, op.cit). That is, the legal, political, ideological, cultural aspects sustain the social rules of property, structure of production and circulation in a capitalist system. Thus we need to consider the role of superstructure, along with the productive forces and the property relation, in analysing the internal structure of a unit, capitalist or precapitalist.

6. Geras, N (1977, p.298)

Second missing point relates to a vital issue in historical change, i.e., the internal contradiction. If a structure can reproduce itself for ever, then there is no history, except for quantitative changes. The dynamics of an internal structure lies in the contradiction among the relations A-C cited above. The internal contradiction within a unit (the basis of change) remains potential and is either induced or sharpened by the interaction with an external unit (the condition for change) (Mao, Tse-Tung 1965, p.26). The role of an external unit in setting forth and sharpening the contradiction of a given unit has been hinted in the earlier section dealing with social formation. It will be taken up again in the next section. We may give a few instances here. One instance is that in a completely developed capitalist system entire production is a social production but based upon private property. Private property and social production themselves constitute a part of the contradictions internal to the capitalist system. Potential for contradiction lies also in the opposing interests between the classes, e.g. capitalist and worker. A concrete case of contradiction between different relations, ie, B & C, may also be cited. Colonial administrators in India thought that the iron smelting system practised by the local blacksmiths were inefficient. Each furnace was forged and operated by a 'lover-couple' or a married couple, and there were folklores built around this kind of 'work-group' concepts. British administrators wanted to introduce a large size fan which could blow air into 12 furnaces simultaneously so that more iron is turned out in lesser time.⁷ This new productive force was in clear contradiction with the native ideology that was built around the native or older productive forces. Thus we see that the potential for contradiction lies between different aspects of a same structure, between the classes as well as amongst the productive forces, property relation and superstructure. But

7. See Bhattacharya, S (1966, pp.240-67)

the internal contradiction remains still potential, for we have not situated the internal structure in the presence of an external.⁸ Intervention by an external unit lays bare or sharpens the internal contradiction of a given unit.

Cut off from the relation with an external what we have produced above is an analytical design of an internal structure. We started conceptualising the internal structure of a social unit "in process" in terms of transhistorical descriptions of the process -- MN and MM interactions. The MN interaction within an internal structure implies the labour process, which has three elements - labour, instruments and the subject of labour. The way these three elements and the MM interaction - cooperation - are combined is termed as productive force. The nature of relationship between men with respect to the means of production (ownership/possession by individuals or communities) is the property relation. MM interaction extends beyond the MN and MM interactions in labour process and the men's relationship with the means of production. Some MM relations lies outside these two types of relation but function in political, legal, cultural ideological spheres. This third one is superstructural relation which supports or helps sustain the productive forces and the property relation. This third element, i.e., superstructure, does not figure in Balibar's analysis. As a critique of Balibar while we could derive the importance of the role of superstructure, we have also arrived at the importance of contradiction within an internal structure, the seed of change. Thus we have the productive forces, property relation, superstructure and internal

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8. Sometimes anthropologists, like Neale, among other, extract such an 'internal' out of the context of the 'external'. They tend to show that within village mechanism of product distribution to be something in a paradise, where work and output share did not correspond and yet the village social division of labour represented a cohesive unit. Such a view is misleading, for contradiction does not appear (Neale, 1957, pp.218-36).

contradiction as the categories constituting the internal structure of a productive unit. These categories **by** themselves cannot identify the internal structure uniquely, for they are found in every society at all times. Transition from transhistory to history requires specifications of the nature of the elements and their combination. The specification of the elements and their combination makes an internal structure unique, both conceptually and concretely. For such historical characterisation, as we noted above, were found at one extreme as double separation(capitalist structure) and at another double unity (in pre-capitalist structure, also perhaps in post-capitalist structure). Yet they are not adequate specification of an internal structure, for they are specified only in terms of property relation. Hence, it is still an analytical design. However, this analytical design cannot be stretched further, and it remains only at this conceptual level for two reasons. First, in a given synchrony what exists is the internal structure of a unit interacting with the external units, altogether constituting a social formation. Hence, one can at best situate the former structure in the context of the latter, in their interconnection or interpenetration. The second reason is that the artificial combination of elements cannot produce history. Instead the combinations must be identified from history or concrete. All these, therefore, suggest that we study the concrete. The concrete, in the context of the underdeveloped countries, are heterogeneous internal structures of the social formations. Hence we study a social formation.

IV

Schematic Presentation of a Social Formation

In section II, we have defined social formation. The main features of a social formation discussed there may be briefly restated.

Social formation is a combination of heterogeneous internal structures. Let us represent these internal structures as X_1 , X_2 , X_3 and so on. The internal structure of a unit is represented by a specific form and combination of its elements - productive forces, property relation, superstructure and internal contradiction. The units will have unique law of motion provided the potential contradiction becomes actual.

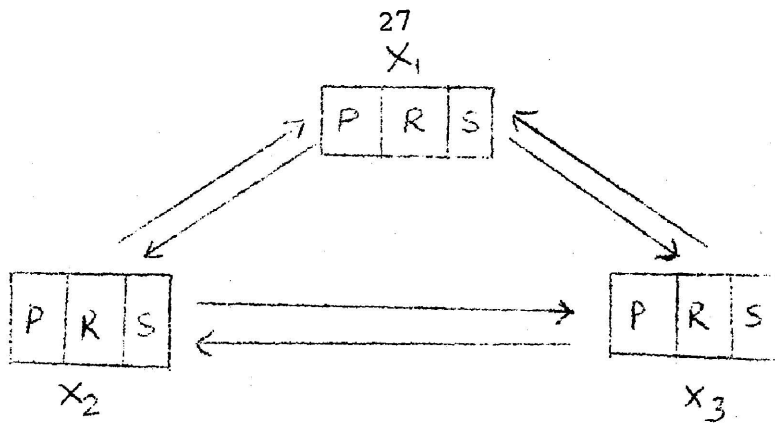
The laws of motion across the units differ. In a social formation, where there are more than one units, we may assume, without vitiating the reality, that the law of motion of a given unit is incompatible with that of other units.⁹ Since in a social formation all the units are in interaction, there is a contradiction between the units or between the structures. The contradiction between structures sets forth and sharpen the contradiction within the internal structure of a unit. The within structure contradiction (i.e., internal contradiction) implies a contradiction (incompatibility) amongst the productive forces, property relation and the superstructure. Following the contradictions between and within the structures, the individual units obtain historical movement. Consequently, the entire social formation achieves a historical movement.

9. As long as the interrelated structures remain in a synchronic manner, i.e. no structure loses its characteristic combination of productive forces, property relation and superstructure, there will appear a congruence among the structures and our assumption does not hold good. Such congruence is, however, a short run phenomenon.

In the process of movement of the social formation, the internal structure of each unit changes. The nature of change may be a complete 'dissolution' of one structure, or all structures into a new form or there may be a 'conservation-dissolution' process across the internal structures. The second process implies, that a unit, in its transformation process may retain some of its own old characteristics of the productive forces, property relation and superstructure absorb some new characteristics from other units and transmit some of its older characteristics to other units. In that process, the "other" units are also in the "conservation-dissolution" or complete "dissolution" process. The ultimate result depends upon the strength of each of the internal structures in a social formation. However, as long as the "conservation-dissolution" process goes on it is often difficult to characterise a social formation uniquely (like capitalist or feudal). In that case we can only capture the movement in a social formation descriptively, i.e., concretely.

In the concrete study we have to construct the nature of a social formation that corresponds to reality. The recapitulation above suggest interpenetration among the structures X_1 , X_2 , X_3 etc. Conceived this way the heterogeneous XS are horizontally placed, as it were. But in reality the interpenetration process among the structures leads to two different outcomes, or two different types of social formation, which we shall present in diagrammatic forms.

One possibility is that in the process of interpenetration among the structures are of the units (say, X_1) may become dominant over the others (X_2 and X_3) indicating a hierarchy of structures (Diagram 1).



P, R, S represent respectively, productive forces, property relation and superstructure. The direction of the arrows represent the direction of penetration.

A structure is often reflected by the property relation, such as double separation or double unity or partly one or the other of these. This is unfortunate, for it is difficult to specify as to what type of R is specifically related to what characteristics of P and S.

The diagram represents a social formation in which structure (X_1) interacts with both the subordinated structures (X_2 and X_3). The latter two also interact between themselves. In all cases, however, there will always be internal contradiction among P, R and S within a unit; hence we shall not mention its presence every time.

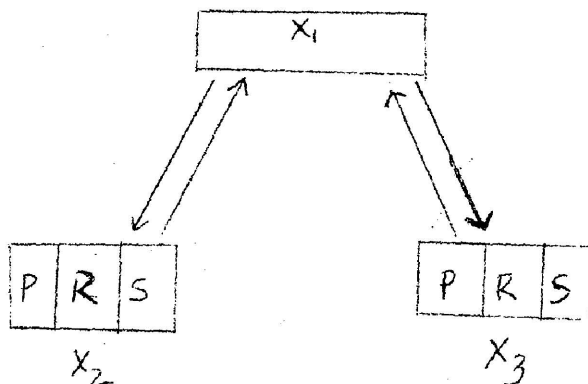
However, the dominant structure means that the subordinated structures help sustain the law of motion of the dominant structure.¹⁰ Whenever, the law of motion of the dominant structure

10. As long as such relationship remains unchanged there may be an apparent congruity between the structures. As noted in fn.9, such congruity may exist in the short run. In the long run the congruity is unlikely to be present. The import of the congruity concept in the long run analysis bears the danger of antihistoricity.

suffers any change, it may change its mode of interaction with the subordinated structures. On the contrary, the subordinated structures also may influence each other as well as the dominant structure, reducing the dominance of the old and producing the dominance of a new structure. Thus, the nature of the social formation itself will change over time, because of both between and within structure contradictions, also because of the power and strength of each internal structure. The ultimate result, whether "dissolution" or "conservation-dissolution", is an issue to be captured in the concrete.

Let us add three cautions, before we proceed to the second type of social formation. First, the interpenetration between the structures is not necessarily across the same elements, i.e. productive force of X_1 does not necessarily intervene in the productive force of X_2 and X_3 . The instruments of penetration may belong to any particular sphere of P, R or S of a structure and affect any other sphere in other structures. But the selection of an instrument may have a specific aim to affect a particular sphere. For instance, the state policy that belongs to S of a structure may be aimed at changing the P of another structure. Secondly, though every internal structure has a sphere S, it does not always contain all the elements of an S. For instance, the state policy belongs to the sphere S, but in a social formation all units with specific internal structure do not contain the state machinery. State machinery is only one in a given social formation. This state machinery however, functions in consonance with the requirements of the dominant structure. Other than such aggregate institutions, every internal structure may contain its specific aspects of S, such as local culture, ideology, micro level polity etc. Thirdly, the modes of intervention between structures are not always the same. State policy, market penetration or mercantile intervention, technological intervention, population migration etc. are various instances of intervening instruments across structures.

The second possibility is that the seemingly horizontal, heterogeneous structures are connected indirectly through a centralised authority, as in Asiatic tribute-paying structure (India, Egypt, China etc.) or in colonial state rule.¹¹ In this case the horizontally placed structures may interact with and interpenetrate one another only indirectly, through the dominating central authority. (Diagram 2)



The diagrammatic presentation of the second possibility is clearly different from the first. Here the direct interpenetration between X_2 and X_3 is absent, as proposed earlier. The interaction between X_2 and X_3 takes place via X_1 . But the most important difference is that X_1 cannot be always characterised in terms of P, R and S, as clearly as in Diagram 1. The characterisation of X_1 in Diagram 2 differs according to the circumstances. In the global case of colonial rule X_1 can have P, R, S in the metropolis. Also within the colony it may have P, R, S, as reflected in the development of railway, other infrastructures and plantation. In contrast, in the precolonial Asiatic centralised system X_1 represents more of a state power that belongs to S.

11. Though, both pre-colonial India and colonial India had the centralised states, they represented different types of polity and economy.

The heterogeneous P_s and R_s of various village structures (X_2 and X_3) constitute the P and R of the precolonial social formation itself. Thus, in this second case of a social formation there are varied possibilities of characterising the apex structure X_1 . This variation, therefore, does not allow one to generalise about the nature of a social formation, and requires one to study a social formation in the concrete, which we deal with in Section V.

In the two possible social formations we have merely indicated the interaction procedure amongst the structures. But what are the economic and other methodological implications that arise from such formations?

In both cases, the relation between the heterogeneous internal structures and the dominant structure (as in the first case), or the centralised authority (as in the second case), is one of surplus appropriation, which in effect links the heterogeneous, seemingly horizontal internal structures. But the impact of this appropriation can be properly understood only by understanding the processes of surplus generation in and appropriation from the heterogeneous units that constitute the social formations. The process of 'dissolutions, conservations, or even regeneration' of older structures in this process will be decided largely according to the internal structure of the units. But, a social formation cannot be analysed solely in terms of the elements, P , R , S , simplistically used in the context of an individual internal structure. This means that a social formation is not a macroscopic structure, like an internal structure and hence is not amenable to a straightforward aggregation, because of the heterogeneity of its numerous internal structures.

There is a converse problem (i.e. of disaggregation) of analysing the internal structure of a unit in a social formation without reference to the features of that formation. That is, we cannot analyse a unit without relating it to the social formation. A number of case studies of Indian village societies,

especially by anthropologists, have fallen into this methodological trap. For example Neale's (op.cit) study of reciprocity and redistribution in an Indian village shows us as to how a cohesive village unit existed in the absence of market. Work share did not correspond to the product share that each group of persons received, within a given social division of labour. This, Neale thought, was due to non-market traditional distributive arrangement. In such contexts, according to Neale, the society does not care as to how much one works, as long as the entire society survives. Neale contrasts this with a market society in which the product share must correspond to work share. It leads Neale to romanticise what he considers to be a more ethical arrangement in pre-market societies. But, of course, by analysing a village society in isolation Neale overlooks the fact that such village societies were in fact highly exploited by a centralised authority, which took away much of its surplus and left it with little choice except to share whatever was left behind. Such sharing of product, irrespective of whether it corresponds to work share, is simply necessary in order to reproduce the within village social division of labour. Periodic redistribution of land among the members of the village community, product sharing without corresponding work sharing and undeveloped productive forces due to high surplus extraction, in the Mughal period, are some of the indicators of survival mechanisms of the poor villagers (Padhi 1984, p.64). Thus, truncated from the social formation a study of a villages gives a misleading preception about the internal structure of the unit.

To sum up, a social formation is composed of heterogeneous internal structures each containing specific combination of nature of productive forces, nature of property relation, super-structure and internal contradiction. In a given synchrony a structure is always influenced by other different structures. They interpenetrate and change and produce a diverse movement within a social formation. 'Conservation-dissolution and regeneration' or complete 'dissolution' of an internal structure,

or of all of them into a new one are the possible processes of change. The exact manifestation of these changes is a matter of concrete study.

Since the movement in the social formation reflects the movement in the internal structures of individual units we need to characterise the units. These internal structures can be characterised by the property relations ranging from double unity to double separation, depending upon the structure of production. By 'range' we mean double unity, partial unity (or partial separation) or complete double separation, i.e., the spectrum of property relations reflected in an array of ownership/possession of instrument and subject of labour and the labour itself. We shall attempt, in the concrete studies that follow, to represent a social formation as an interrelationship between heterogeneous structures characterised by such relations of property.¹²

12. Unfortunately, the studies we shall deal with hardly reflect on the superstructural issues, for they are basically concerned with material production alone. But the bits and pieces of information available on superstructure will be used to spell out its role in sustaining the social formation itself.

V

The Concrete

The nature of interrelationship among the units with specific internal structure varies across different social formations. We attempt here to capture the variation in social formations and the nature of changes therein with the help of some case studies. We may note here that the analysis of nature and change of social formation draws upon the cases which had different purposes often, than ours, when they were designed. Hence the interpretation of these case studies for our purposes has obvious limitations. Particularly the role of superstructural elements in the social formations can not be brought out clearly for most of the studies deal with the history of economic base - productive forces and property relation. Despite this limitation we shall attempt to show its role from these studies.

5.1 Social Formation in South Africa

Harold Walpe (1980) in his Capitalism and cheap labour power in South Africa from segregation to apartheid, analyses as to how these two racial policies of the white minority state, were designed and applied to sustain the dominant capitalist mode of production in the South African social formation.

Broadly, the capitalist mode of production in South Africa derives the surplus value from both settled white and original black African workers. But the latter set of workers is drawn from the black African peasantry, which supplies labour at a cheaper wage than what the white workers receive. The two segments of labourers are geographically separated under the segregation policy. Over time this policy became obsolete, due to a particular historical course. The black workers could not be kept geographically separate from the whites, the segmented labour markets posed a threat to the generation of surplus value and capitalist accumulation. The policy of apartheid was introduced and the industries were dispersed in order to keep the two races separate and receive cheap labour from the black

Africans. The ultimate aim of this policy was to sustain the state and its basis, the white settlers' capitalist mode of production, albeit in a different form. We shall now untangle the change in the South African social formation in its each specific aspect.

Given a technology, a capitalist can earn more surplus value the less he pays the workers' wage. In the context of South Africa this general rule was not straightaway applicable. The South African capitalist had to pay higher wages to the white workers and lower wages to the black. The high or low wage is not a quantitative magnitude alone. White settled workers were paid family wage, which helped reproduce the present and future generation of labour. The family wage includes the social security schemes, educational subsidy for white workers' children (the future labour force) etc. In contrast, the black worker was paid wages that kept only the individual worker's life process reproduced, that too as long as he was an able bodied worker in the capitalist sector. The old age and childhood social security was not made available to them. This substantially cuts the wage cost of the capitalist and maintains high surplus value. The difference between the family and individual wages indicates the high or low wage. However, the old age and childhood costs of maintenance of the black workers were passed on to the black peasant sector, which supplied the active, cheap labour force. This means that the active black population migrate to the industrial area and move back to the peasant sector in the old age. The cheapening of this labour is possible only if the peasant sector is kept backward. It appears that the black African agriculture was not so backward before the colonial onslaught. Then how did the peasant sector become backward and formed the basis of cheap labour supply?

It is the colonial mercantile activity that reduced the surplus generating black agriculture to a backward sector.

Wolpe writes:

... It is, nonetheless true, that ... the overwhelming economic and political power of the capitalist sector had succeeded, whether through unequal terms of trade or otherwise, in underdeveloping African economy so that it no longer presented any significant competitive threat to white farmers. Production in the African 'Reserves' of a marketable surplus became increasingly rare, fully disappearing altogether... The capitalist sector was unable to extract the surplus product directly from the African precapitalist sector. The relation between the two sectors were, indeed, '...reduced to the provision by the backward sector' of labour-power to the capitalist sector. (p.297).

After eroding the surplus generating potential of the African agriculture the white ruled state chose to preserve the Africans confined within the backward agricultural sector. These areas of black settlement is called the 'Reserve', the source of cheap labour supply. The state enacted a law preventing the white settlers from purchasing land in the black Reserves. This is a part of the segregation policy, which also applies to separate the black from the whites in the urban industrial dwellings. However, within the Reserves the rule of private property - ownership of land - was in practice. That means, land transaction could take place among the blacks of the Reserves. This is a source of contradiction which we shall discuss later.

The African Reserves, impoverished as they were, supplied active population to the capitalist mining and manufacturing sectors. The workers were not allowed to settle in these industrial areas after their working life. They returned to the Reserves after retirement. They grow in the Reserves till they reach the working age. The reserves maintain them both in the childhood and in the old age, as we mentioned above. In effect a part of the reproduction cost of the black labour-power is passed on to the Reserves; in effect, this is a subsidy indirectly provided to the capitalist sector, which would otherwise have to be borne by the capitalist by paying family

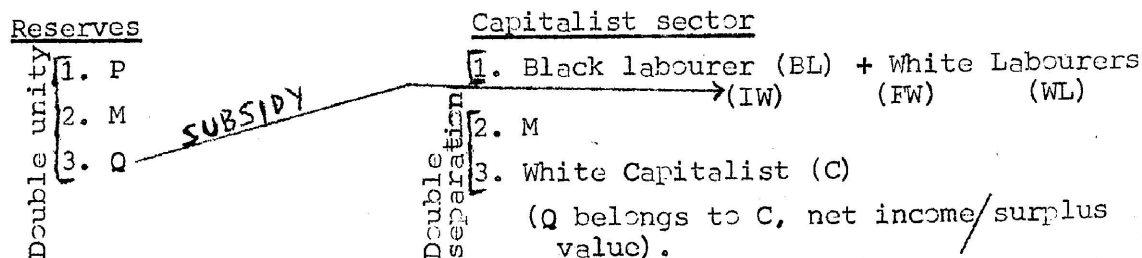
wage as in the case of white workers. Production in the Reserves was based on the private land cultivated by extended families. The workers, who migrate to the capitalist sector and return, maintain their link with the Reserve on the basis of what Wolpe calls "reciprocal obligation" between the migrant workers and the extended families in the Reserves.

Though the Reserve was cultivated by extended families, it had private property rights. On the basis of this right the product of labour was the property of the families. Therefore, there was a double unity in the Reserves. We represent this in terms of the elements of the labour process.

- 1. Producers (P)
- 2. Means of production (M)
- 3. Product (Q)
- 4. Q belongs to P

The bracket indicates double unity.

We are discussing the Reserve in relation to the South African capitalist sector which represented its property relations as a double separation. Then the entire South African social formation can be represented as:



IW = Individual reproductive wage rate to the black workers.

FW = Family wage rate to the white workers.

The double unity in the Reserve was, however, in a fragile state, for it had to support the non-working population, who already served and who will in future serve the capitalist sector. Eventually, it is an indirect surplus appropriation by the capitalist sector (an indirect subsidy). Hence a fragile and apparent double unity. This fragility could not sustain the double unity for a long time. Contradiction within the Reserve developed both due to outside factor - accumulation in the capitalist sectors - and the internal dynamics of the Reserves.

The precapitalist Reserves underwent changes. Population growth on the limited Reserve land could no longer sustain the capacity of subsidising the capitalist sector. Reserves' population migrating to the urban capitalist sectors could not depend upon the Reserves' production in their old age, and gradually cut off their link with the Reserves. They settled in the urban slums. The effect of this settlement will be discussed later. However, the migration of active population from the rural Reserves to the urban capitalist sectors itself created a contradiction within the Reserves. The agricultural output declined or remained stagnant. It failed on its basis to subsidise the capitalist sectors' black labour force. Simultaneously, there was another contradiction. There was a tendency for the Reserve families to accumulate cattle disproportionately to the available grazing land which overstocked the land, and further reduced the agricultural land and output. Thus population growth, land management in the Reserves under the condition of lacking active population, overstocking of cattle were the contradictions that developed within the Reserves leading to its decay, had their repercussions in the capitalist sectors also.

While the subsidising capacity of the Reserves was declining there was a tremendous pace of industrialisation following capitalist accumulation. All the time the white workers were there with high wages, but rapid industrialisation also demanded cheap black labour. Black labourers were available, but were not subsidised by the incapacitated Reserves. Cut off from the

Reserves, the black migrant workers crowded the urban labour market and settled in the urban areas. This threatened the law of motion of the capitalist sector and the wages of the white workers.

First, the capitalists now would have to pay the family wage to the black, so as to get a continuous labour supply from the black African. That means a cut in the surplus value accrued to the capitalist. Secondly, the easy availability of the cheap black workers threatened the white workers' wage. To keep the rate of surplus value, on a total wage payment, at a higher level, the capitalist might resort to lower the wages of the white workers. After all, how does it matter if a capitalist can cut the wage of any race and increase the rate of surplus value. The contradiction within the labour market, between the white and black workers, did not lead to a cut in wage of the white workers. It was resolved by political and economic measures.

The state found a solution for this contradiction in advocating a discriminatory policy, apartheid. The racial policies of apartheid for solving the contradiction between the white and the black workers are to be seen in the light of class bias of the state. White ruled state that sustains the white capitalists has its political base on the mass of white workers. If these worker's wages were cut, it might help assimilate the white workers with black, bringing a clear cut class contradiction between the capitalists and the workers to the fore. A racial separation of the working classes and parting a little spoilation with the white workers keep the white capitalists and its state sustain the dominant structure.

The most important of the economic strategies was the new policy of industrial dispersal towards the rural areas, which became semi-urban due to industrial establishments. This was a reversal of the policy of drawing rural migrant labour to the

urban industrial sectors. The black workers under new industrial policy were given homestead land for family farming in the industrial fringe to grow crops in order to supplement their low wage i.e. to meet the difference between the family wage and the individual reproductive wage. Thus the white workers were separated from the blacks once again. White workers continued to have the older privilege, following the package contained in the apartheid policy.

The social formation that resulted in the wake of these policies was similar to the previous one, but there was a series of such capitalist and precapitalist sector relation at several places. The difference between the Reserve and the homestead was that, the former was somewhat more independent in its activities and had larger areas for cultivation under extended families. But homestead land in the industrial fringe sustained only the nuclear family. However, as far as the social formation is concerned, the capitalist domination continued and the precapitalist sectors remained as an integral part of the capitalist accumulation process.

The changes that took place in the internal structures of the precapitalist Reserves and the capitalist sector in the social formation itself, indicate a "dissolution-conservation" process of both. The sustenance of this process is effected by the white ruled state, which represents the interests of the white capitalist class. The racial policies of apartheid reinstated the white workers in their preeminent position in the spheres of economy and polity and thereby the state consolidated its political base. Hence the state policies belonging to the sphere of superstructure becomes the condition of existence of the interrelated capitalist and precapitalist structures. Also it shows, as against theoretical conjecture that capitalist structure dissolves all precapitalist structures, as to how a precapitalist structure helps sustain the motion of a capitalist structure.

5.2 Dissolution Process of a Fishing Community in South Kerala

An account of transformation of a fishing village, Sakthikulangarai (Sakthi) in South Kerala, is provided by Platteau (1984). His study shows the process of dissolution of a pre-capitalist communal organisation of fishing in Sakthi due to the intrusion of capitalist organisation of fishing. This was initiated by the technological intervention of the Indo-Norwegian Project coupled with the economic incentives extended to the capitalist units by the Indian state. Communal relation in fishing activity gave way to capitalist relation in Sakthi.

Platteau's account of the traditional, precapitalist fishermen community is though sketchy, it suggests that there was a rudimentary familial division of labour with men primarily responsible for the catch and the women for the marketing. Most households owned one or the other asset, such as kattumaram, vallam, nets etc., but never a complete set of implements to organise fishing. Consequently, a few households had to collect together their fractional means of production and organise a full fishing unit based on their family labour as well as the labour of other households. Several such units were formed within the village; their number being restricted by the availability of the means of production required to make a unit. The units once formed did not exist always with the same set of households. Within the village, in different seasons, units changed their composition of households. For across different seasons, depending on the sea condition and the species of fish, different combination of implements are required; and the households having such assets appropriate to the seasonal condition gather together to form a unit. Those who did not have the implements appropriate to the seasons joined the units as co-operative workers. These workers got help from the others as workers in some other seasons. Thus the household combination of the fishing units changed often and the cooperation spanned across the entire village, making the village, Sakthi, a fishing community as such. From Platteau's description it is clear that

the particular nature of ownership, i.e. ownership of a fraction, of the means of production leads to a formation of communal appropriation of Nature. The description, therefore, suggests that the majority of the households in Sakthi are interdependent on one another, following the ownership of the 'part' implements.

The interdependence among the households, however, did not arise only from the nature of ownership of the means of production, but also from the nature of the means of production themselves. Kattumaram and vallam are instruments with low level of productivity. For they cannot be used for fishing in the deep sea and in seasons when the sea is rough. As a result the fishing operation happens to be highly risky sometimes and the quantity of fish catch highly uncertain and irregular across the year. When the catch happened to be low for a particular unit, the households fell back on other households for immediate survival. Such events tied the households, mainly the poor ones, together and at the time of fishing such households cooperated with one another. Thus the ownership pattern, the nature of the means of production and cooperative appropriation of Nature formed the communal organisation of fishing in Sakthi.

The traditional fishermen community was not a homogeneous entity. Some were producers and the others were merchants with the latter having actual or potential domination over the former. Among the producers themselves there were differences in asset ownership. But these differences were kept within tolerable limits partly because all those who were involved with fishing devoted their own labour, which does not lead to enormous accumulation of assets.

The change in the set up in Sakthi started with the introduction of a development project known as the Indo-Norwegian Project (INP) in the early 1950s meant 'to bring about an increase in the return of the fishermen's activity, to introduce an efficient distribution of fresh fish and improvement of fish products,

to improve the health and sanitary conditions of the fishing population, and to raise the standard of living of the community in the Project Area in general....' The project also called for mechanisation of the fishing boats, provision for repair facilities, introduction of new types of fishing gear, improvement of processing and curing methods, building ice producing plants, supplying insulated vans and motorcrafts for transport of fresh fish etc. In brief it was an attempt at modernization from above.

Initially an attempt was made to mechanize the traditional fishing crafts. But this was a complete failure and hence in the mid 1950s it was decided to introduce fully mechanised boats. These boats which cost over Rs.100,000 were obviously beyond the means of the traditional fishermen. Loans were available, but could be secured only on the basis of collateral other than the boats themselves. Hence the ownership of the new boats went into the hands of the local money-lenders and fish merchants who already had resources of their own and who could therefore take advantage of the loans and subsidies that were being offered for modernization.

The shift in the ownership pattern had two major consequences. First, fishing assets which were meant to employ family labour in the traditional pattern were no longer meant for this purpose. The owners of the new assets did not mean to use their own labour or the labour of the members of their families. The new assets were meant primarily to increase assets further through making profits by employing other people's labour. As Platteau puts it: '...while in the former sector fishing assets are basically considered as instrumental in providing employment opportunities to the family unit in the modern sector they are usually acquired with a view to yielding high private returns in financial terms. Put in another way, with the mechanization of fishing technology, the craft has lost its character of a concrete means of production, employment and survival, to become

an abstract economic factor whose handling is clearly dissociated from its ownership. The change in behavioural patterns wrought by mechanization drive in Sakthi is therefore tremendous; the purchase of a boat is no longer intended to provide its owner with a work-tool and to enable him to become his own master; instead, it is part of an economic strategy aimed at rapid enrichment of the investor' (p.87). The introduction of the new technology, therefore, necessitated a class of crew labourers on a round-the-year basis because the new boats were also able to overcome the seasonality factor to a large extent. The traditional pattern of a fisherman being part time crew labourer has tended to disappear leading to a sharper polarisation of fishermen into owners and crew workers, the latter largely, though not exclusively drawn into the modern sector. The change has also led to the emergence of two fairly clearly distinct sector in fishing, the traditional and the modern, with the former declining rapidly. Platteau records that the number of traditional crafts declined from 493 in 1953 to 228 in 1963, to around 100 in 1968 and to 56 in 1978 which means that there were roughly nine times as many traditional craft in 1953 as in 1978, 25 years later. By 1978, again, only 19 per cent of the fishermen living in the area were involved in the traditional sector, the rest having moved as crew labourers in the modern sector. Crew labourers have also come from neighbouring villages and some even from the neighbouring state, Tamil Nadu.

Secondly, there has been a tremendous increase in market activities and a change in their character. The introduction of the new technology created a new system of fish distribution. The catch was no longer only of the low quality fish species which were purchased and consumed in the neighbourhood. Higher quality species in larger quantities were becoming available and these had to be taken to the more affluent consumers in different parts of the State, especially in its urban areas. The marketing processes therefore, underwent a major transformation very different from what obtained within the traditional

system. Initially a cooperative organisation was established to handle the new distribution processes and channels, but private merchants saw in the new situation opportunities for enormous profits and rushed in and the cooperative organisation went bankrupt under suspicious circumstances. After this, according to Platteau's account, 'Sakthi's market resembles a jingle where a host of hard bargainers conduct their business in a completely anarchical way. The picture of a big stock exchange in New York, London, Paris or Tokyo immediately comes to the mind of the external observer. In fact, the number of intervening auctioneers and fish dealers is very high and the marketing channels are too varied and too complex to permit an exact description..' (p.84).

The INP's stated objective was to expand and intensify the marketing of fish in Kerala. But the availability of prawns and lobsters in large quantities led to a change in policy in which the government of India took an active role. Recognising the possibility of augmenting foreign exchange earnings through the export of prawns and lobsters into the United States and Japan the government of India offered several incentives and concessions to encourage large capitalist industrial houses like Tata, Kelvinator, Union Carbide, ITC, EID Parry and Britannia Biscuits to enter the export business of seafood products.

In the late 1970's the total number of mechanised boats which operated regularly from Sakthi base exceeded 1500 with the number moving upto 4000 during the peak seasons. This provided a basis for further capitalist expansion. A number of large processing concerns sprang up with ice plants, peeling sheds and packing units employing several thousands of people on a permanent or casual basis.

A further change related to the process of capitalist expansion in Sakthi has been the stimulus that came into real estate business. The initial response of local merchants and middlemen who made large profits through the new fishing industry was to buy plots of land and to construct houses. These were not merely instances of conspicuous consumption. Ownership of real estate is an important business consideration as it forms good security against which big and comparatively cheap institutional loans can be obtained for purposes of investing in productive assets such as boats, ice plants, lorries and insulated vans etc. The expected appreciation of real estate values during a regime of rising prices is another business consideration in moving into real estate.

The change in Sakthi, over all, led to an increasingly sharp differentiation of the community (which, as noted, earlier was certainly not homogeneous to begin with). 'At the top of this social structure we find a privileged minority of fish dealers, businessmen, export agents and trawler owners, with the latter often being engaged in commercial or business occupations. Their beautiful terraced houses form an undisputable mark of economic prosperity and contrast sharply with the thatched huts of most traditional fishermen who reside under the coconut trees on the edge of the beach. Crew labourers who have worked regularly on trawler boats and the owners of INP boats often occupy an intermediate position. True, there are fishermen who have entered the small elite and now possess a trawler boat acquired brand new and in full ownership; but their number is comparatively small. Most of the people who made the biggest profits from the new prawn fishing business are outside capitalists who do not belong to the Sakthi community'. (p.91-92).

In a nutshell, the tight-knit structure of the traditional precapitalist village society (of Sakthi) has increasingly been eroded by the gradual penetration of technology and capitalist

structure operating more and more in concert with the large economy. The fishing community of Sakthi represented a double unity type of property relation. Though every household did not possess all the instruments required for fishing, the cooperation within the community gave effect to the ownership of fractional holding of the means of production. Such fractional ownership within a community also formed the basis of sharing the product of cooperative appropriation of Nature. Hence the ownership of fractional means of production and the product represented the double unity. The associated productive forces were represented by the instruments with low productivity and high degree of cooperation among the fishing households.

The break down was engineered by the technological intervention of the INP and the Indian states' incentives to the large capitalist units. All these are elements of the units external to Sakthi. The intervention set in process the dissolution of Sakthi's communal organisation of fishing. What came to stay is a capitalist relation that resembles many other parts of the Indian social formation.

5.3 Capitalist Market Penetration and transformation of the Village Economy of Kandy during colonial Rule

Srilankan economy is dominated by plantation - coffee and tea - that started during the colonial rule. Asoka Bandarage describes the change in the Srilankan (precolonial) peasant economy due to capitalist colonial expansion in plantation. Her study is confined to the Kandyan highland of Central Sri Lanka. Main thrust is that the colonial plantation has eroded the traditional (nonmarket) basis of reproducing a peasant economy. What emerged is a transformed local peasantry in a highly differentiated village society brought about by British colonial policy. The process of change in Srilankan formation can be described as a 'dissolution-conservation' process.

Precolonial Kandyan peasants cultivated wet paddy on irrigated land. They were basically small peasants whose subsistence requirements were met by paddy cultivation, supplemented by dry cultivation of maize, millet, hill paddy etc. Dry agriculture was practised through shifting cultivation in the mountainous tracks of Kandy, which were full of forest and waste lands under the crown. The entire region of Kandy was sparsely populated. Except in the irrigated land the techniques of paddy cultivation was traditional. The extent of division of labour was also low as indicated by Bandarage that the artisans had a piece of land to grow their subsistence crops. This describes the initial, precolonial means of reproducing the small peasant economy as also the productive forces in the Kandyan peasant society.

The Kandyan peasant society was sufficiently differentiated. Surplus labour was appropriated from the peasantry by the overlords and the king, in the form of corvee' labour services. While the elites of the hierarchy performed the political and administrative functions, the system was, to a degree, redistributive. Part of the corvee' labour was mobilised for the creation and maintenance of irrigation works.

Within this differentiated society, however, the king granted the users' right to the peasantry on the highlands. There was no absolute private property rights on land. Peasants enjoyed the rights to use king's land, so much so that the highland, or the areas of dry land cultivation, were treated as communal lands of the village. On the sparsely populated society of Kandy land was not a commodity, and the overall market was undeveloped. The system was precapitalistic, where the king granted the customary rights of cultivating the land to the peasantry. By such possession the peasants also enjoyed the ownership of the product. In this sense, the property relation represented a double unity.

Transformation of this differentiated society began with the colonial states encouragement to the European coffee planters. Bandarage's analysis, pertain to the change that took place, during what she calls 'coffee' period, though tendencies were carried forward later to the 'tea' plantation areas also. The colonial state worked in collusion with the planters and it was reflected in the types of colonial state's acts and ordinances.

Plantation, a uniquely commercial enterprise, required suitable land, labour and infrastructure. In an attempt to acquire all these the state acts and ordinances induced transformation in the precapitalist form of the Kandyan lands.

The first attempt in this regard was to introduce the legal private property rights on land. Precapitalist system, which never understood this arrangement, was swindled as the colonial state exploited the previous institutional set up. That is, previously all land belonged to the king, the ruler, and the peasants had the users' right only (but in that regime, any default of corvee' or other lapses of responsibility to the state never led the peasantry to be expropriated from land use). Now since the colonial state was the ruler, by the 'crown land' ordinance the state became the controller, owner of the land, as it were. This claim was made on the highland forest and the wastes suitable for coffee plantation. This land was then sold off to the European planters on easy terms. Now the peasantry did not have the users right on these private properties. Since these lands were the second major source of survival of the peasantry and its livestock, privatisation of land threatened them with reduced survival options. However, the peasants resorted to encroachment into the private planters' land to reproduce their economic basis. Such events, along with land confiscations by the colonial state, became so widespread that two other tendencies were set in. One was that the lords and the peasants started selling off lands lest they are confiscated. The other was that the colonial state tried to compensate the

peasants' loss of reproduction possibility by three measures.

(a) Sale of swidden (shifting agriculture) plots to those who brought them under cultivation; (b) Grant of rights to shifting cultivation on payment of taxes, or purchase of government licences; (c) Land grants to those who possessed certificates of possession with legitimate claims to highlands. All these benefits, however, went to the wealthier sections of the peasantry and the lords who could afford to pay for these legalistic claims. Land, thus, became a vendible private property which did not allow access to one and all, as against the practice in the precolonial regime. With this, the communal property and the communal appropriation of land by the peasantry disappeared, and new relations of production emerged. To a very small extent there appeared a capital wage worker relation. To a large extent there was landlord-tenant relationship and to a moderate extent free petty peasantry. Hence, by and large, precolonial double unity (property relation) was vitiated, and a new type of differentiation appeared except for the petty peasants. It was however, still a precapitalist system to a large extent.

The creation of private property in land, in the nineteenth century, however, was not an end in itself. One of its purposes was to create a free labour force to work in the plantation. However, the extent of success in displacing the peasants and create a free labour force was rather poor. Unable to release the local labour force the British planters, with the help of the colonial Srilankan state, brought in the Tamil workers from Madras presidency in India. Tamils worked as unfree or slave workers in Srilanka plantation. Such a precapitalist relation was forced upon the British plantation capital by the circumstances of labour scarcity in Kandy. In fact, the precapitalist relation was helpful for the British capital to function with high surplus value.

With the process of privatisation of land and plantation in progress, the need for infrastructure development became urgent. State legislation of road tax made provision for unpaid male labour from the peasantry for six days in a year, or commuting this in cash, on the basis of head tax for all males. Added with this the state also imposed a paddy tax in cash.

On an already meagre surplus of paddy on peasant lands the payment of tax in cash was difficult. Consequently one of the choices was to supply labour in road construction and plantation earn cash and pay the tax. Peasantry did not resort to this option of participating in the labour market. Instead, the entire peasantry changed its organisation of production. They grew coffee to meet the cash obligations. Finding such a response, the colonial state encouraged the small holder coffee production by making the coffee land free of tax. After all, it is an exportable crop which helped the colonial state. Alongside the paddy cultivation on wet land was sufficiently intensified so as to absorb the peasantry that was displaced by the introduction of private property in land. The owner peasants and landlord-tenant were the predominant relations in the changed organisation of production.

Though as a measure of survival the paddy cultivation was intensified, this helped the peasants to resist the participation in the labour market. Yet the return from paddy was declining, because of the state's neglect of the traditional irrigation facilities. This resulted in an increase in coffee production to meet the cash requirements. Market involvement of the peasantry in terms of commodity exchange increased tremendously. The surplus cash incomes, after meeting cash obligation to the state, was spent on European products - kerosene, matches, Manchester cloth etc. In this context, the local merchant capital also flourished.

From Bandarage's study we can infer that the colonial intervention has changed the Kandyan highland's peasant society from one precapitalist structure to another. It can be described as a 'dissolution-conservation' process, for the dissolution of the precapitalist structure, due to capitalist colonial intervention, did not lead to the formation of a capitalist structure.

The precolonial organisation of production was characterised by double unity, based on the communal possession of crown land, and communal appropriation of Nature - wet paddy and shifting cultivation. Though the precolonial social structure in Kandy was differentiated, with king at the top, the direct producers (peasants) at the bottom and overlords in between, the system was redistributive. The part of the corvée' labour services to the king came back to the peasantry in the form of irrigation extension and maintenance.

British colonial intervention on this structure disrupted the previous communal possession and appropriation arrangement of the peasantry. In order to provide land to the British coffee planters and to create a flow of labour supply for the plantation sector as well as for infrastructure development the colonial state introduced various measures. Most important of these measures are the imposition of legalised private property on land that was previously unknown, conversion of kind rent into cash and the imposition of head tax in lieu of labour services demanded by the colonial state's infrastructure development programme.

All these measures had two objectives. One was to provide land to the British planters, and the other was to create a labour market by displacing the peasantry. But, while plantation could progress, the creation of labour market met with a failure.

The peasantry resisted its participation in the labour market by reorganising its production. Despite the state's neglect of irrigation facility, the peasantry increased the intensity of wet paddy cultivation on whatever wet land was available. The peasants also grew coffee at a small scale in the waste lands in order to meet the cash demand of the state. Such reorganisation of production helped to absorb the displaced peasantry, though under a new relation of production.

The introduction of private property system created a new differentiation within the Kandyan agrarian structure. Those who could afford obtained land as individual private property. This resulted into three types of production relation at varying extent. To a very small extent capital-wage worker relation appeared. But the dominant relation was the landlord-tenant relation, followed by petty owner-peasants. For the owner-peasants clearly there was double unity. For the tenants the double unity, that they enjoyed in precolonial period, was much more loosened. They enjoyed the decision making power in production on the landlords land, but had to pay a share rent. Hence, in the landlord-tenant relation, it was a fragile double unity under the new situation.

Thus, the colonial intervention dissolved the precapitalist community structure (double unity) of precolonial Kandy. What emerged is a differentiated peasantry, with the dominance of landlord - tenant relation, which also represented a precapitalist structure. Hence, the internal structure of Kandy underwent a 'dissolution-conservation' process of social change during the colonial period.

In the other structure of the Srilankan colonial formation also, i.e., in the plantation sector, the precapitalist relation entered. The production was organised by using unfree Tamil labourers. This was the result of the reorganisation of

production, along the precapitalist line, by the Srilankan peasantry. It is, therefore, clear that the internal structure of the precapitalist Kandyan peasant society did not dissolve into a capitalist structure, and it exerted its indirect influence on the capitalist structure of the plantation itself. Under the circumstances of scarcity of local labour the plantation capital was forced to use unfree, Tamil migrant workers.

Concluding observations

The literature on the political economy of underdevelopment points to a question as to how a capitalist structure relates itself to the precapitalist structures in a dynamic form. Denying the singular theoretical possibility of historical unilinearity, that a capitalist structure in its process of expansion dissolves all the precapitalist structures, as suggested by Luxemburg, concrete evidences suggest that the historical movements can be of varied types. Capitalist structure sometimes does dissolve the precapitalist structure; sometimes the capitalist and precapitalist structures exist in a process of interpenetration.

The interpenetration among varied structures create a social formation. Each structure of a social formation can be identified as a specific combination of productive forces, property relation, superstructure and internal contradiction. This combination has been referred to as the internal structure of a productive unit. Within a social formation there are contradictions between the internal structures and within the internal structures. Between the structures contradictions induces and/or sharpens the within structure contradiction. This creates a movement in all the internal structures, and hence in the social formation itself. The nature of change of the social formation can be described as a 'complete dissolution' or a 'dissolution-conservation' processes shown in the internal structures. Whether a structure will dissolve or not depends upon the strength of its own

internal structure as well as that of the external structure. Our main focus was to outline the internal structure of a productive unit and the historical movement of a social formation. Towards this end, we tried to capture the nature of movement of different social formations concretely.

We have dealt with three case studies of different social formations in order to capture the historical movements and their diversities. The South African formation and the colonial Kandyan formation of Srilanka show the 'dissolution-conservation' movement. The precapitalist fishing community of a village in Kerala underwent a complete dissolution process.

Interestingly the South African formation shows how the precapitalist structure, linked to the capitalist structure, was breaking down; and how the white ruled state, helping the white capital, intervened to restore the precapitalist structure. Precapitalist structure was a necessity for the sustenance of the dominant capitalist structure. The capitalist structure deliberately prevented the dissolution of the precapitalist structure. This denies the historical unilinearity, mentioned above.

Srilankan case also shows a 'dissolution-conservation' process of change, but its conservation process of change was different from that of the South African formation. In Sri Lanka the peasants could find re-adjustment, after colonial intervention, in organisation of production. This reorganisation also created condition for the plantation sector to adopt a precapitalist relation of production. Thus precapitalist structure could transmit, however indirectly, its characteristics to the structure (i.e., plantation sector) which was supposed to be capitalist.

On the contrary, the case of the fishing community in Sakthi, Kerala, shows a process of dissolution of the traditional mode of fishing. The capitalist organisation of fishing replaced the older community. The process of dissolution was initiated by technical intervention and state's economic incentives to the capitalist units.

However, in no way the above case studies are exhaustive, in the sense that they do not fully conform to the methodological outline we have provided. For instance, the question of enmeshing of the productive forces, property relation and the superstructure could not be satisfactorily dealt with. Such limitation arises from the nature of the studies, which concentrate mainly on the sphere 'economic'. Except for the role of state that belongs to the sphere 'political', we could not deal with the superstructural influence on the economy.

Further, drawing upon the case studies we could capture merely the description of the nature of change, but not the reasons or conditions that generate a change. It is required that one shows the differences in conditions under which 'complete dissolution' and 'dissolution-conservation' processes take place. For this, we cannot perhaps depend on the case studies of other authors, whose purposes are different. We need to undertake concrete studies on our own to test the methodology as well as to modify the methodology based on the concrete instances.

But the case studies have borne out a fact that social change, across time and space, does not have a set pattern. It differs across circumstances. Hence, the capitalist development and underdevelopment also vary across time and space.

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