

## AMBEDKAR, BAUDRILLARD, BUDDHISM AND SOCIALISM

PAUL COCKSHOT, ALLIN COTTRELL

The proposed Indian publishers of Towards A New Socialism book asked us a number of questions which they felt would help the book become more relevant to an Indian audience. They asked us

- (1) How do our ideas on socialism relate to those put forward by Dr Ambedkar.
- (2) How do we justify the use of Marxian economic concepts like surplus value in the light of the criticisms that have been leveled at this concept by Baudrillard.
- (3) How do our ideas about hitherto existing socialism relate to those that were put forward by prominent socialist theorists like Sweezy, Bettelheim and Mandel?

### 1. DR AMBEDKAR AND HIS SOCIALISM

1.1. **Economic basis of caste – division of labour vs division of labourers.** In his lecture on the Anihilation of Caste, Ambedkar remarked

The Caste System is not merely a division of labourers which is quite different from division of labour; it is a hierarchy in which the divisions of labourers are graded one above the other. In no other country is the division of labour accompanied by this gradation of labourers. (Ambedkar 1982)

He goes on to point out the peculiar unjustness of such a social system in the following words:

This division of labour is not spontaneous, it is not based on natural aptitudes. Social and individual efficiency requires us to develop the capacity of an individual to the point of competency to choose and to make his own career. This principle is violated in the Caste System, in so far as it involves an attempt to appoint tasks to individuals in advance; <sup>1</sup>/<sub>2</sub> elected not on the basis of trained original capacities, but on that of the social status of the parents. (Ambedkar 1982)

Reading his lecture today, reading his description of the manifold indignities that heaped upon the Untouchables by the Hindus one thinks how unjust this is. How can anyone have tolerated such cruelty and inhumanity?

What kind of civilisation did the Hindus have when they not only reduced tens millions of people to the miserable and humiliated status of untouchability, but also condemned millions of others the abominable status of 'criminal castes'?

These forms of discrimination seem so un-natural, so inhuman that anyone from the rest of the world, on hearing of them will be flabbergasted at their grotesque complexity. Such a response seems sane and natural. But consider. Ambedkar would not have had to make his protest did not Hindu public opinion of his day, and indeed a significant fraction of Hindu public opinion even now, consider caste and untouchability both natural and proper: an essential component of a well ordered society.

How can such divergent views about what is natural and proper exist. How can what most people today would consider an abomination, appear to millions others as something laudible?

Ambedkar born as an untouchable, had the then rare opportunity of education, travelling indeed, as a student, to the USA. One who had both experienced the woes of the depressed castes, and the libertarian philosophy of America, Ambedkar was placed for an eloquent denunciation of the evils of caste. Stepping from the dungheap to the Ivy League, he could look down on brahmin apologists of caste, mired in centuries old prejudice.

The contrast between Ambedkar and his brahmin political contemporaries was the conflict between social ideals that originated in industrial capitalist society on the one hand, and the ideologies of an agrarian pre-capitalist economy on the other. When Ambedkar says “Social and individual efficiency requires us to develop the capacity of an individual to the point of competency to choose and to make his own career” he is using language that only makes sense in a society in which:

- (1) People have careers
- (2) Efficiency is an issue of concern
- (3) This efficiency demands an ever changing distribution of people into careers

All of these are traits which come to the fore with capitalism. In traditional agrarian society the opportunity to follow a career in the modern sense was limited or non-existent, nor was efficiency in its modern sense, something that people worried about. True enough, all society has some form of division of labour, even if it is no more developed than a sexual division of labour. All society must distribute its labour time between the various concrete tasks that survival demands, and, if this allocation is grossly disproportionate, if too much time is spent building houses and not enough acquiring food for example, then society would perish. But this need not entail any sophisticated idea of economic efficiency.

Efficiency only starts to be something to worry about once it can be calculated. This calculation was born out of commercial society. Once production’s cost is expressed in money and its outcome likewise, then, you can talk about efficiency.

In this book we emphasise the fundamental insight of the philosopher Adam Smith who realised that when one talked about sums of money one was indirectly talking about quantities of labour. The opening sentence of his *An Enquiry into the Nature and Causes of the Wealth of Nations* (1776) announces a perspective in which labour plays a central role:

The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

He remarked that “The greater part of people . . . understand better what is meant by a quantity of a particular commodity than by a quantity of labour. The one is a plain palpable object; the other an abstract notion, which, though it can be made sufficiently intelligible, is not altogether so natural and obvious.” The “abstract notion” of labour as employed by Smith is not entirely new with him. His friend David Hume had written that “every thing in the world is purchased by labour” in his *Political Discourses* of 1752, and John Locke had hinted at a labour theory of value in the chapter on property in his *Of Civil Government*. But these earlier statements were undeveloped, and it was Smith who brought this insight to the center of an analysis both of society, and of the division of labour in society.

Smith was a historical materialist, tracing the political and ideological character of a society back to the means by which it earned its living. Writing at the very dawn of

industrial capitalism, in an already mercantile, but still predominantly agricultural society Smith identified 3 stages of social development in his *Lectures on Jurisprudence*:

- (1) Hunting nations.
- (2) Nations of shepherds.
- (3) Nations of farmers.

Although he did not appreciate the way that the industrial revolution, just starting as he wrote, was to usher in a new stage of development, Smith was nonetheless an apostle of capitalistic efficiency, and of the rational division of labour to which he expected it to give rise. Indeed it was from him that we got the very notion of a division of labour.

Smith denounced as *unproductive* such feudal hangovers as priestcraft, the employment of personal servants and retainers

When Ambedkar castigated brahmin priestcraft, and denounced caste not only because it was cruel but because it interfered with efficiency, because it impeded the division of labour, because it artificially divided the population into hereditary sections, he was first a disciple of the moral philosopher Smith. Buddha came later.

Given that caste, by the standards of capitalist society impedes the division of labour, what explains its existence. Can Marx's views on the division of labour in society help understand this and shed light on what Ambedkar criticises?

Marx recognised that the allocation of labour between tasks was a necessity for all economic systems, but that the form in which this took place could vary.

Every child knows that any nation that stopped working, not for a year, but let us say, just for a few weeks, would perish. And every child knows, too, that the amounts of products corresponding to the differing amounts of needs demand differing and quantitatively determined amounts of society's aggregate labour. It is self-evident that this necessity of the distribution of social labour in specific proportions is certainly not abolished by the specific form of social production; it can only change its form of manifestation. Natural laws cannot be abolished at all. The only thing that can change, under historically differing conditions, is the form in which those laws assert themselves. (Marx Letter To Ludwig Kugelmann, 11 July 1868)

All societies are constrained by the hours in the day and the size of the population. They differ in the means by which human individuals are taken from being undifferentiated infants to being productive agents fulfilling concrete roles. In caste based societies the abstract potentiality of each individual may not be realised but that abstract potentiality is there. There is no significant genetic difference between an untouchable infant and a brahmin one, but the fixed nature of social customs may make it appear to the actors in such a society that such differences exist. Christianity and Islam could preach human equality but on the abstract level of equality of souls - the religious abstraction of humanity, but in the absence of the appropriate social conditions it was an equality realised by the soul after death.

Capitalist society, which in principle allows any person to be hired for any job they can be trained to do, brings out the abstract polymorphism of human labour more clearly than previous modes of production. Of course we know that discrimination on grounds of skin colour, religion or gender exist in such countries, but such discrimination is visible as a contradiction with the underlying principle of labour mobility, and the tendency in capitalist society is towards reducing such discrimination. This abstract fluidity of human

labour is further held back in capitalist society by what are lived as caste, race, class divisions which restrict education and training. But it is just these remaining restrictions on abstract labour that socialism will abolish allowing all children the same choices of occupations. This is an essential feature of socialism: that it transforms the abstraction of human equality into a social reality.

Ambedkar justly complains that the caste system not only impedes the division of labour but that it prevents the re-distribution of labour between different branches of production.

Looked at from another point of view, this stratification of occupations which is the result of the Caste System is positively pernicious. Industry is never static. It undergoes rapid and abrupt changes. With such changes, an individual must be free to change his occupation. Without such freedom to adjust himself to changing circumstances, it would be impossible for him to gain his livelihood. Now the Caste System will not allow Hindus to take to occupations where they are wanted, if they do not belong to them by heredity. If a Hindu is seen to starve rather than take to new occupations not assigned to his Caste, the reason is to be found in the Caste System. By not permitting readjustment of occupations, Caste becomes a direct cause of much of the unemployment we see in the country. (Ambedkar, Annihilation of Caste)

Here he is calling our attention to the needs of *industry* for a rapid change in the allocation of labour. But, if we are to believe Marx, the caste system arises from an economic form in which economic change occurred either very slowly or not at all.

However changing the political aspect of India's past must appear, its social condition has remained unaltered since its remotest antiquity, until the first decennium of the 19th century. The hand-loom and the spinning-wheel, producing their regular myriads of spinners and weavers, were the pivots of the structure of that society.

These small stereotype forms of social organism have been to the greater part dissolved, and are disappearing, not so much through the brutal interference of the British tax-gatherer and the British soldier, as to the working of English steam and English free trade. Those family-communities were based on domestic industry, in that peculiar combination of hand-weaving, hands-spinning and hand-tilling agriculture which gave them self-supporting power.

We must not forget that these little communities were contaminated by distinctions of caste and by slavery, that they subjugated man to external circumstances instead of elevating man the sovereign of circumstances, that they transformed a self-developing social state into never changing natural destiny, and thus brought about a brutalizing worship of nature, exhibiting its degradation in the fact that man, the sovereign of nature, fell down on his knees in adoration of Kanuman, the monkey, and Sabbala, the cow.(Marx 1853 )

Marx saw the argicultural communities of India as being characterised by

- (1) stagnation of technology
- (2) exploitative relations

TABLE 1. Cloth Production in India by Sector(*meters*<sup>2</sup>)

Year	Mill	Decentralized	Decentralized
	Production	Powerloom Production	Handloom Production
1900-3	483	0	793
1936-9	3,630	0	1,420
1980-1	4,533	4,802	3,109
1997-8	1,948	20,951	7,603

Sources: Clark and Wolcott (2003), Mazumdar (1984), pp. 7, 36.

Castes not only allocated people into hereditary occupations, but also and most importantly they divided them into exploiting and exploited castes, with the latter providing labour services to the former. The roots of caste oppression thus lay in the combination technical backwardness of production and the slavery or quasi slavery to which the lower castes were subjected.

Ambedkar was politically active some 70 years after Marx wrote the articles we cite above. In the interim there had obviously been changes in the Indian economy, but these had not gone nearly as far as might have been expected. The economy was still overwhelmingly dependent upon human and animal power. Mechanisation had made little inroads into agriculture, and even in textile production - which is normally the first industry to be automated the transition from manufacturing to machine industry was far from complete ( See Table 1.).

By the 1830s in England handloom weaving of cottons was largely superseded by power looms in factories, even though the wages of handloom workers were only about half those of factory workers.<sup>13</sup> Yet 170 years later the handloom sector in India is still very large, particularly in cottons. Indeed the output of the handloom sector has grown steadily since 1900 when statistics were first gathered. In 1997, output of woven cloth from handlooms in India was about 10 times as great as in 1900. In 1997-8 25% of cloth production in India was still from handlooms. (Clark and Wolcott 2003)

And although slavery had formally been abolished in India in 1843, in practice it continued in Ambedkar's day, and still exists with estimates that there are around 40 million bonded labourers in modern India(Narula 1999). Scheduled castes tribes made up 24% of the Indian population in 1991. But, the Government itself accepts that more than 86% of bonded labourers are from these groups. This occurs despite the prohibition of all forms of forced labour under article 23 of the Constitution and the 1976 Bonded Labour System Abolition Act.

Bonded labour by members of the lower castes is rife in agriculture, even in more developed regions like the Punjab(Srivastava 2005). In the brick kiln industry some 3 million workers are employed in conditions amounting to bonded labour. Brick kilns are heavily guarded and severe restrictions placed on workers movement. Workers are typically in debt to their employers and the debt relation persists from season to season(Gupta 2003).

at a brick kiln in Gautam Budha Nagar in Uttar Pradesh, near Delhi, 180 bonded labourers (53 men, 36 women and 91 children) were rescued in

February 2000. The condition of the workers came to light when one of the women workers was raped, and her husband and a child were killed in gunfire by the employer and his henchmen when they resisted. The workers were prevented from leaving through threat and intimidation. The employer retained more than half their wages and gave them only a small sum for subsistence.((Srivastava 2005))

Similar conditions of near slavery exist in other sectors where heavy manual labour is being done quarries, mines, handloom weaving, salt pan work and construction. In Tamil Nadu of 750,000 workers in the quarries  $\frac{2}{3}$  are bonded labourers, with, in many cases, whole families being enslaved.

When we see the close link that exists between slavery and caste oppression one begins to doubt Ambedkar's claim that caste was an evil unique to India - worse even than slavery. The instances he cites to show the comparative benevolence of slavery come from the ancient world, and anyway pertain only to a small minority of slaves<sup>1</sup> But consider the USA where Ambedkar went for his higher education. Although the founding documents of the USA proclaim liberty and the pursuit of happiness, slavery had remained legal in the USA even after it was formally prohibited in India.

Life, liberty and the pursuit of happiness were to be ensured for one sort of people only, they did not apply to negroes or tribal peoples. Dilip Menon (Menon 2006) recounts how already in the 19th century, novelists of the lower castes saw the similarity between their own condition and that of the negro in America. Even after the civil war and Lincoln's abolition of slavery, a social upheaval far greater than anything India went through in its path to independence, the negroes in America remained a caste apart. Deprived of civil rights until the 1960s, segregated from the white population, denied entry into many jobs and professions - prohibited even from fighting for their country.

Ex-slaves or descendants of ex-slaves, they faced many of the same prejudices as un-touchable slaves and ex-slaves. What was it but a fear of pollution that which in each case forced them to use separate water supplies - dalits being prohibited from using the tanks supplying hindus and negroes having to use separate drinking water fountains?

The whole edifice of segregation was a series of pollution taboos meant to enforce a sub-human status.

One system was called 'caste' and the other 'race', but what is a name?

Both are imaginary justifications for real oppression. Given the fundamental mixing of the human gene pool, and fact that we are all of African descent, race was as much an imaginary social construct as caste. Its functional meaning was the same, to demarcate a servile section of the population. Both categories drew on religion for their support - with negroes being labelled as children of Cain by white Christian sects.

The notion of caste and the notion of race are part of what the philosopher Althusser(Althusser 1971) termed the ideological state apparatus of an exploitative society. By this he means the set of ideas by which human agents come to be constituted as 'subjects' and whose function is to ensure the continued reproduction of the existing relations of domination and servitude.

In the context of what we have said about the role of economic backwardness in sustaining caste in India, the economic background to the struggles of the negroes in mid 20th century USA are relevant. There was nearly a century of delay between the abolition of slavery and the winning of civil rights by the negroes in the 1960s. Why did it happen then and not in the 1890s for example?

<sup>1</sup>For a discussion of this see (Ranganakayama 2002) chap 7.

A theory put forward by Marxists among the black proletariat of the USA, who lived through this change, is that during the 1950s and 60s a crucial economic change had occurred. When the slaves were freed, they had remained a semi-servile class of sharecroppers. They continued to carry out the same agricultural labour as before as their erstwhile masters transformed into landlords. The former slave owners continued to profit from the labour of the freed slaves, but now it was done with a semi-feudal relation. The crucial fact was that the mode of material production had not changed. Cotton production still depended on manual labour to tend the fields and harvest the crop. The negroes were formally free, but they were still doing the same sort of physical labour as the slaves had done.

In the 1950s machines were introduced that could harvest cotton, weeding came to be done by spraying chemical weedkillers, and the whole process of agricultural production shifted from manufacture<sup>2</sup> to machineofacture. The mode of material production became specifically capitalist. Consequent upon a change in the mode of material production, the social relations of production had to change too. The semi-feudal sharecropping system gave way to capital intensive agriculture. The class of sharecroppers was freed from the land to become a proletariat who migrated to the great urban manufacturing centers of the USA. The physical movement away from the rural south, and the social movement from the personal dependence of share-cropping laid the grounds for a political struggle for equal civil rights. Blacks were now participants in the labour market like any other, working side by side with white workers on the assembly lines of Detroit. Under these circumstances the clash between their caste status and the formal equality of labour pre-supposed by the capitalist market became intolerable. But the process of gaining civil liberty was not automatic. It was only through a prolonged and bitter struggle that legal rights could be enforced. Like any state apparatus the ideological apparatus of race could only be broken by struggle. This struggle in the USA is clearly not complete:

- blacks are disproportionately found in the less skilled and worse paid sections of the proletariat;
- and as proletarians they are still very much exploited, now by capitalists, where previous generations were exploited by landowners and slaveholders

but their struggle has progressed further than that against untouchability in India.

In this process there have been feedbacks between social relations and technology. The class of white farmers and landowners introduced machinery to their farms in the mid 20th century, not with the view to its social effects, but in order to make more profit. The social consequences that followed, the black struggle for equal political rights were unforeseen. Social relations favoured a particular form of technology, this in turn brought political conflict which changed society. But one should not assume from this that technological change must come first. If slavery had persisted in the Southern states, had, for example, the Confederates won the civil war, it is doubtful that there would have been the motive to mechanise.

What implication does the US experience have ?

The points of similarity are:

- (1) the existence of a depressed caste subjected to at first openly servile and later semi-servile relations;
- (2) the predominance of manual labour in the semi-servile sector;
- (3) the use of violence and terror to maintain the depressed caste in its place;

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<sup>2</sup>The word manufacture is derived from the latin manus for hand, indicating hand production

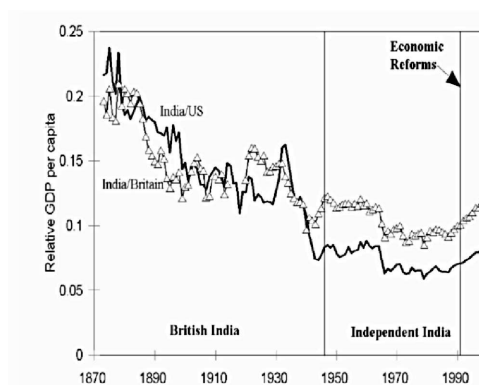


FIGURE 1. Indian GDP per Capita relative to the USA, 1873 to 1998 (Clark 2003).

(4) severe social segregation.

The significant differences are:

- (1) the somewhat more advanced level of capitalist industrialisation in the USA during the 1960s relative to India now (see Fig 1);
- (2) the fact that historically the USA suffered from chronic shortages of labour relative to capital;
- (3) religious support for discrimination was somewhat less entrenched in the USA.

We know, from the general laws of capitalist development that the peasant class of India, like the earlier peasant classes of Europe and America, are, to use an US phrase 'dead men walking'. As classes they are on death row. Their social execution is fore-ordained, it may be postponed for a period, but it will come. Eventually, Indian agriculture, will mechanise, and the peasantry be dispersed. The mines, quarries, brickworks etc within which dalits are enslaved will use Leibherr's and Komatsu mass excavators rather than human labour.

This is what one can expect from capitalism, but how long will it take?

One of the basic points we make in our book is that the rate of technological advance in a society tends to be inversely proportional to the rate of exploitation. Where labour is cheap, it will be wasted. Marx and Cairnes (Cairnes and Smith 2003) made this point with respect to slavery, that it was inimicable to technical progress. Marx emphasises that under capitalism, where wages are low, the most backward techniques of production will be used. From this standpoint, the very intensive exploitation of dalit labour must itself be a major cause of technical backwardness in the Indian rural economy. Why else should the full mechanisation of some industries have been so long delayed?

Until labour becomes expensive there is little incentive to replace it with machinery. This is a crucial difference between India and the USA. The USA, from its founding, had a relative shortage of labour, both compared to available agricultural land and later, compared to capital stocks. The shortage of labour had both been the drive behind the initial capture and transportation of slaves from Africa, and later, in the mid 20th century, allowed the rapid absorption of former sharecroppers into the industrial working class.

The first phases of capitalist development are characterised, except in colonies like the USA or Australia, by an abundance of labour relative to capital. If the capitalist system is to fully take hold, in the form of machine industry, the growth of capital stock must outrun



the growth of the labour supply. It was for this reason that Adam Smith was so keen to emphasise the distinction between productive and unproductive labour. If a man employed a multitude of menial servants, Smith said, he dissipated his capital. If on the other hand he employed workers in manufacture, his capital returned with a profit. Smith emphasised the importance of accumulating and not wasting what Marx would later call surplus value. Smith's polemic was directed at waste occasioned by an idle and profligate aristocracy. Whilst society was, by modern standards, poor, with relatively primitive technology, and a more limited social surplus, productive accumulation and thrift were essential.

This too, emphasises the importance of thoroughgoing agrarian revolutions of the French, Russian or Chinese types. The forcible suppression of unproductive classes of landowners and priests freed resources for industrialisation. China in 2006 was reinvesting 50% of its total national product in new capital goods. It could never have reached this level of accumulation were it not for an agrarian revolution in the 1940s which stopped the landlords from unproductively consuming the peasants' surplus.

**1.2. Ambedkar's actual economic program.** As this revolution was taking place in China, Ambedkar clearly recognised the need for a radical change in production relations in India. At this time he was working on the committee drafting the Indian constitution, and proposals relating to this document are presented in his publication *States and Minorities* (Ambedkar 1948). The publication, relating as it does to a constitution is comprehensive in scope, and legal in form, but from the standpoint of modernising social relations, deeply contradictory.

It contains clauses (Article II clause 2(i)) which enshrine the rights to hold and inherit property:

It shall not be competent for any Legislature or Executive in India to pass a law or issue an order, rule or regulation so as to violate the following rights of the subjects of the State :

(1) to make and enforce contracts, to sue, be parties, and give evidence, to inherit, purchase, lease, sell, hold and convey real and personal property.

But it also contains (Article II clause 4):

The United States of India shall declare as a part of the law of its constitution —

(1) That industries which are key industries or which may be declared to be key industries shall be owned and run by the State ;

(2) 'That industries which are not key industries but which are basic industries shall be owned by the State and shall be run by the State or by Corporations established by the State ;

(3) That Insurance shall be a monopoly of the State and that the State shall compel every adult citizen to take out a life insurance policy commensurate with his wages as may be prescribed by the Legislature;

(4) That agriculture shall be State Industry;

(Ambedkar 1948)

In advocating these provisions Ambedkar seems to have been responding to the spirit of the time. The agrarian revolution was underway in China. In Britain the Atlee government which was granting Indian independence, had also, since 1945 been bringing key industries into state ownership and setting up state owned corporations to run them. The Benes coalition government in Checkoslovakia had, again starting 1945, been bringing both key

industries and the largest landed estates into state ownership. In 1947 the Gottwald government there was to accelerate this process, bringing in all land and industry into public ownership.

Ambedkar seems to be proposing a transformation of agriculture in India that mirrored Gottwald's proposals for Czechoslovakia:

- (9) Agricultural industry shall be organized on the following basis:
- (1) The State shall divide the land acquired into farms of standard size- and let out the farms for cultivation to residents of the village as tenants (made up of group of families) to cultivate on the following conditions:
    - (a) The farm shall be cultivated as a collective farm ;
    - (b) The farm shall be cultivated in accordance with rules and directions issued by Government;
    - (c) The tenants shall share among themselves in the manner prescribed the produce of the farm left after the payment of charges properly leviable on the farm;
  - (2) The land shall be let out to villagers without distinction of caste or creed and in such manner that there will be no landlord, no tenant and no landless labourer ;
  - (3) It shall be the obligation of the State to finance the cultivation of the collective farms by the supply of water, draft animals, implements, manure, seeds, etc.;
- (Ambedkar 1948)

Like the Gottwald programme, these ideas were obviously influenced by what had been done in Russia in, the previous decade ( the proposal to have collective farms). Were such ideas, the commonsense socialism of 1947, proposed today they would doubtless be denounced as a throwback to 'stalinism'. Had they been put into practice they would have amounted to a veritable agrarian revolution.

The explicit aim of these measures was to address economic exploitation and they would indeed have eliminated direct exploitation of peasants and landless labourers. But as Ranganakayama (2002) argues, the devil here is in the detail, or in the debentures. The conflict between the protection of private property in clause 2 and socialism in clause 4 was supposed to be resolved by the issue of government bonds to former landowners and owners of factories. Ranganakayama validly points out that this would not have abolished exploitation, since the peasants would have to pay rents to the state who, in turn, would pay the rent on to the former landlords as interest on the bonds. The landlord class would have been able to continue to live a life of idleness, a drain on the nation's resources.

On the other hand, the idea of compensating former owners was not unusual for socialist governments in the 40s. Atlee was doing it in Britain, and at least in the first stages of the transition to socialism in Czechoslovakia the same thing happened. In China too, former factory owners were often compensated when their factories were taken over by the state. In this sense, Ambedkar's proposals were not so different from what other socialists of the time were doing.

If the payment of such compensation is seen as a merely short term measure, later to be rescinded, it may not be of long term harm from a socialist standpoint. For instance one could envisage a situation in which bonds were issued to former owners, and then the socialist government followed a deliberate policy of inflating the currency in order to devalue the bonds. Alternatively there might be a popular vote held on the annulment of

debt which would, as a side effect, cancel all bonds. But in the absence of such measures, the continued existence of a class of state rentiers could be dangerous.

- They would have constituted a drain on resources. National income that could have been directed at modernising the economy would have to be paid out in interest to the rentiers. This would have slowed down the rate of economic growth and industrialisation.
- The former landlord class, being in receipt of regular interest payments, would have been in a position to continue moneylending activities and thus engage in further exploitation.
- Because they would continue to be much richer than the peasants and labourers, they would be able to buy influence over local officials, and thus profit from their political influence. Chinese experience shows how a compensated class of capitalists can, over several decades, regain their old wealth and influence.

It is not clear from the context whether Ambedkar saw the payment of interest to former property owners as something permanent or something temporary, so let us charitably assume that he saw it as something temporary, a concession made necessary by the fact that many of his fellows on the committee working on the constitution hailed from a Landlord background: a concession due to an unfavourable balance of forces. It was one thing for Gottwald, backed by workers militias to propose nationalisation of Czech industry, or Mao, at the head of the PLA to propose the expropriation of China's landlords. It was quite another for Ambedkar, placed on a constitutional committee by grace of long term Congress rivals, to make such proposals. He could propose, but who was to enforce?

At the very moment that he was making his proposals fierce agrarian struggles were taking place in the Indian countryside, led by communists, to forcibly seize land from the landowners. The Indian army put down these attempts to redistribute property with great ferocity. Ambedkar's constitutional declarations that land was public property were, when push came to shove, a dead letter.

Of other socialists Ambedkar said:

The Socialists of India, following their fellows in Europe, are seeking to apply the economic interpretation of history to the facts of India. They propound that man is an economic creature, that his activities and aspirations are bound by economic facts, that property is the only source of power. They therefore preach that political and social reforms are but gigantic illusions, and that economic reform by equalization of property must have precedence over every other kind of reform. One may take issue with every one of these premises — on which rests the Socialists' case for economic reform as having priority over every other kind of reform. (Ambedkar 1982)

We do not know who Ambedkar is referring to here, or whether in making these criticisms he was portraying these other socialists' views accurately. There may well have been opponents with views similar to those that he criticises. Whether justified or not, Ambedkar's criticism of these unnamed socialists has an unexpected resonance with criticisms made by a prominent Russian socialist (Lenin 1964) of opponents in the socialist movement there. At the start of the 20th century he accused Lomonosov and Martynov of being *economists*. He did not mean thereby that they were scholars of economics, but that they gave undue pre-eminence to campaigns relating purely to the immediate economic conditions of the workers of Russia, and underplayed the need for a political struggle for freedom against the oppression of the Czar.

How do our own proposals for socialism differ from those of Ambedkar?

Leaving aside the issue of compensating former owners, the paradox is that Ambedkar's socialism showed the same focus on property relations that he had once criticised in others. He did of course give great emphasis to political rights, but when it comes to eliminating exploitation he shared with other socialists of the 1940s a great emphasis on ownership and the importance of state ownership.

We too, are in favour of public ownership of industry, but the history of socialism since the 1940s has taught that by itself this was not enough. We believe that mid 20th century socialists had forgotten something that had been well understood by 19th century socialists like Owen, Gray and Marx: that exploitation has its roots not just in private property but in *the wages system*. What distinguishes our, and several other 21st century socialist proposals (Peters 2000, Dieterich and Dussel 2000, Dieterich 2002), is their emphasis on the need for:

- (1) A replacement of money by a system of payment in labour tokens, what Peters (1996) called an equivalence economy.
- (2) A recognition that, except for those unfit to work, labour is the only legitimate source of income in a socialist society.
- (3) A system of participative democracy to control planning of the economy and bring the disposition of the surplus product under the direction of those whose work produced it.

These ideas, explained at length in this book, constitute the essential break between the new socialism and the old 20th century socialism.

**1.3. Religious reform and Buddhism.** Ambedkar apparently developed an interest in Buddhism as an alternative religion to Hinduism for the dalits after contacts with an Italian Buddhist monk in 1936 (Bellwinkel-Schempp n.d.). The appeal of alternative to religions, Christianity, Islam, Buddhism, to those specifically oppressed in the name of Hinduism needs no explanation. And if one still had, in the 20th century, to chose a religion, Buddhism was perhaps the one least inimicable to scientific rationalism. It is arguably a more benevolent doctrine than Hinduism, and being a universalist religion like Islam or Christianity can be interpreted as being hostile to the caste system.

From a materialist standpoint, Buddhism might be preferred as containing relatively less theistic superstition or appeal to the supernatural than its rivals. The teaching that the self or personal subject is ultimately an illusion is something that modern materialists, including marxists, would agree with. The Soviet legal philosopher Pashukanis (1989) argued that the subject as currently understood was an effect of commodity producing society rather than something fundamental to humanity. The French marxist philosopher Althusser (1971) argued that the subject was ultimately an illusion 'interpellated' by juridical and moral ideologies. Current materialist philosophy of mind (Selfridge 1958, Dennet 1991, Norretranders 1998, Churchland 1988, Churchland 1995) also argues against the existence of unitary subject. This is in striking contrast to almost the whole of bourgeois economics which is based on the subject as an axiom. Thus philosophically, Buddhist doctrines of mind are not antagonistic to Marxism.

But one should be aware of the difference between presentations of Buddhism, which like all religions and philosophies becomes adapted to different times and different class interests. Consider for example the question of rebirth. Ambedkar (1997)<sup>3</sup> presents this in very materialist terms - that on death the energy and elements that make up the body are

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<sup>3</sup>book 4 part 2.

dispersed but that subsequently born bodies will contain matter that had once been in other people. This is valid enough, Avogadro's constant<sup>4</sup> is so high, that it ensures for instance, that whenever we drink a cup of tea we consume water molecules that the Buddha passed as urine.

But it is evident that Ambedkar's interpretation of rebirth, while perhaps part of the esoteric doctrines of Buddhism, conflicts with exoteric portrayal of reincarnation in Buddhist practice as an actual transmigration of souls from body to body. Once a religion advocates that people must act against their own interests, then it must offer some imagined incentive for this moral behaviour. Christianity and Islam offer the prospect of paradise or hell as incentives. Exoteric Buddhism offers amelioration or punishment after rebirth.

In a class society, some of the moral precepts of religion, such as not stealing have quite different import according to who are. If you are a rich factory owner, with many employees, the profit you make from their labour will not be seen as stealing. But if a seamstress in a factory takes home one of the shirts she has made, that would be seen as stealing. In general we can say that old religious and philosophical doctrines of morality, interpret their moral precepts in a way that favours the rich versus the poor, Buddhism included.

Though it could well be argued that the Buddha made life in the world more worth living, that surely was an unintended consequence of his teaching. To present him as a sort of socialist is a serious anachronism.

He never preached against social inequality, only declared its irrelevance to salvation.

He neither tried to abolish the caste system nor to do away with slavery.

While a famous sermon, the Samanna-phala Sutta, stresses the practical benefits for a slave in leaving his servitude and joining the Order, in fact runaway slaves were not allowed to join the Order.

Moreover, though in ancient India there was no caste or other form of social ranking within the Order itself, the Order soon came to own (lay) slaves.

(Gombrich 1988)

Indeed the very existence of communities of monks engaged only in contemplative religious duties, presupposed the existence of an exploited class who would provide them with sustenance.

We are thus unconvinced by Ambedkar's general claims about a socially progressive character of Buddhism. But since religions are a form within which different social content and different class interests are expressed, this is not to deny that there can be socially progressive strands withing Buddhism.

**1.4. Constitutional issues and special representation for minorities.** One of the major questions that Ambedkar was concerned with was how to gain adequate democratic representation for minorities, especially the depressed castes.

It is easy to see that in a standard parliamentary electoral system the depressed castes would fare badly. Electoral systems always tend to favour candidates from the higher social groups in society. It would thus be expected that members of the depressed castes would end up being systematically underrepresented in the parliament.

<sup>4</sup>It specifies the number of molecules in a *gram mole* of matter, so that 18 cc of water, one gram mole of water, will contain about  $6 \times 10^{23}$  molecules.

The solution adopted under Ambedkar's influence, the reservation system, addresses the problem but only partially. Consider who ends up representing the depressed castes under this system. It makes little difference whether there is a separate electorate as Ambedkar intended, or a shared one. In either case we would find that the representatives of the depressed castes are themselves unrepresentative of their own communities. Are 50% of dalit MPs women?

Are the majority of them uneducated?

Are the dalit MP's themselves poor people?

An electoral system is so biased towards the upper ranks in society that caste reservations can only have minor influence on the overall composition of the parliament. Ambedkar was concerned about reservations as a protection for oppressed minorities, but why is there no system of reservation for oppressed majorities?

Women make up about half of the population<sup>5</sup>, but make up less than 10% of Lok Sabha. The 1996 Womens Reservation Bill would have made some difference here, even if it reserved only 33% of seats for women ( as if there were 2 men to every woman in India).

Suppose that a women's reservation bill reserving half the seats to women were passed. What then about the poor, they make up the majority of the population, but the Lok Sabha is dominated by the elite. Should you then have a system of reservation for the poor, should they be entitled to 70% of the seats?

If you once conceded the principle of reservation, it is clear that they should.

You then have 70% of seats reserved for the poor, 50% for women, 15% for scheduled castes 8% for scheduled tribes etc. The reservation soon add up to more than 100%. You would then have to say that these categories would have to intersect. Of the 50% womens seats, 35% would have to go to poor women, 7.5% to dalit women, 5.4% of these would have to be poor dality women etc.

The system would become very difficult to manage and increasingly incompatible with the territorial electoral principle.

It is because of the complexities associated with any attempt to make an electoral mechanism genuinely representative of the population, that we reject it in favour of the ancient principle of selection by lot. If 543 people were chosen at random from the electoral register accross India to fill the Lok Sabha, then its composition would, with slight random variations, be very close to that of the electorate on all issues. The gender mix would be right, the balance of young and old would be right, the balance of rich and poor would be right, the caste and religous compostion would be right.

Only by such a mechanism can you ensure a system that is fairly representative on all counts.

We also believe, that such a system, which gives to those currently without power, real access to political power, would be the most favourable environment for the propagation of socialism and the achievement of real social justice.

It would immediately remove the underpinning of support from political parties who whip up inter-communal strife, for behind such anti-social behaviour there often lies sordid electoral calculation. Political parties, in the parliamentary sense of organisations existing to support groups of politicians, would become obsolete. Extra parliamentary parties, those that exist as social movements to mobilise the people themselves against injustice, would still exist. But their political influence would be exerted only indirectly through their mass membership, since it would only be mass membership that would offer a route to getting into parliament.

<sup>5</sup>Actually 46.6%.

## 2. MARX, BAUDRILLARD AND THE ANALYSIS OF FORMS

Marx's *Capital* (Marx 1954) is commonly considered to be, in some sense, a work of economics. The subtitle of the work, however, is "A Critique of Political Economy". What did Marx mean by this? It's not as if political economy was an uncritical discourse before Marx came along. For example, while Ricardo agreed with Adam Smith on many issues, he was nonetheless sharply critical of Smith on several key points including the labour theory of value, the theory of rent, and the theory of the tendency for the rate of profit to fall. It seems that Marx meant for *Capital* to be more than a critique and development of specific points made by previous political economists. Rather, he sought to make questions of the underlying assumptions made by all previous writers—or, in the current jargon, to "deconstruct" political economy.

One of the chief assumptions that Marx called in question was the "naturalness" of commodity exchange, and the associated representation of the labour time required to produce things in the form of exchange value. He introduced the vocabulary of "forms": the commodity is a "form"; exchange value is a "form"; money is a "form". When Marx calls a social phenomenon a *form*, he means that it is not a universal requirement: it is specific, historically determined and mutable. If you will, it represents one solution to a problem that has other, substantially different, solutions.

How do we justify the idea that something is a form in this sense? Obviously, it's not enough to assert this; it's necessary to show that other social mechanisms have been used, or could be used, to achieve the object in question (or that the object in question is itself not a universal requirement).

When Marx talks of the commodity and exchange value as forms, the object in question—the problem to which the form is a particular solution—is the coordination of the division of labour when individual producers are interdependent: how does the available labour get allocated to the various tasks in the right proportions, and how does the product get distributed to those who need to or want to consume it? Marx points out that previous forms of society managed to coordinate a division of labour without recourse to commodity production; for example, the allocation of labour and goods within an extended peasant household might be coordinated by a patriarch. This is all very well if the object is simply to show that commodity production is not universal, but then presumably political economists such as Smith and Ricardo would have had no problem with the idea that commodity production has not *always* existed. The more challenging task is to demonstrate that a complex division of labour on a national or global scale—not just within a peasant household—can be effectively coordinated without commodities, exchange value and money.

Marx alluded to this case—that is, the economic coordination mechanism of a future socialist system—in *Capital* (Volume 1, chapter 1, section 4), but only briefly and in the most general terms. From this point of view, the present work can be seen as an extended justification of Marx's view that the commodity and money are "forms": we show in some detail how a socialist economy could allocate labour and goods via a system of planning (albeit with a market of sorts for final consumer goods).

**2.1. Baudrillard: production as a form.** The publishers of this edition have asked us to address the arguments of the French sociologist and philosopher Jean Baudrillard, insofar as they may be seen as undercutting our own theses. We will consider his *Mirror of Production* (date). In this book Baudrillard argues that Marx was right to expose exchange value as a form, but that he failed to complete his critique of political economy. Specifically, he failed to call in question the notion of "production", failed to appreciate that this

too is a *form*. Baudrillard notes Marx's conception of production as a process in which man takes natural materials and works them up into a form capable of satisfying his needs—a sort of “metabolism” between man and nature—and also notes Marx's claim that, unlike money and exchange value, production is an essential feature of every society. But, says Baudrillard, both the opposition of “Man” versus “Nature” and the concept of “needs” are inventions of the 18th century.

There is neither a mode of production nor production in primitive societies. ... These concepts analyse only our own societies, which are ruled by political economy. ((Baudrillard 1975) p. 49)

The clearly states that production as a concept does not apply to primitive society, and also implies that a post-capitalist society would dispense with production and labour.

The notion that production is optional, something that not all societies have to engage in, is akin to the claim for which Baudrillard acquired notoriety in the 1990s, namely, that the first Gulf War did not take place (it was just a media spectacle). Taken literally, this claim is plainly and painfully false. (Try telling that to widows of the the Iraqi tank crews.) It requires some sort of metaphorical reading, but what exactly? We take it that he had in mind something like this: the war that people saw on TV screens in Europe and America—the video-game war of “smart bombs” and the like—did not really take place. Even that might be difficult to sustain. A more defensible claim would be that what many people saw on TV, and therefore *took to be* the Gulf War, was a highly selective and partly fastastical representation of the actual conflict. The defensible claim, however, sounds boring compared to the paradox-mongering of “the war didn't take place”!

**2.2. Hegel and the end of history.** There are other, related, elements at work in Baudrillard's critique of Marx. Hegel, from whom Marx drew inspiration, famously conceived of history as a dialectical process of thesis, antithesis and synthesis: the development of the world is driven by real contradictions. Hegel nonetheless asserted that this contradictory process had reached its end with the Prussian state, the final embodiment of Reason. Marx, obviously, rejected the notion that the Prussian state represented the end of history. But some have argued that he retained too much of Hegel's legacy, conceiving history as a linear (if contradictory) process with an End in view. On this reading, Marx shifted the end-point from Prussia to Communism (the hour of the final resolution of the class contradictions that have been the motor of human history hitherto), but he failed to overcome the idealist notion of a privileged moment in history when the process becomes transparent to itself, “all is understood”, and there are no more contradictions. This is a theme that Baudrillard takes up.

We can agree that the quasi-Hegelian conception of Communism as the end of history is highly problematic. We uphold the idea of the abolition of class relations and we argue for certain mechanisms that we believe will create a greater degree of transparency in social relations (for example the labour token system of income distribution discussed in chapters X and Y). We do not, however, hold that the overcoming of class division puts an end to all social contradictions, and neither do we believe that society can ever be fully self-transparent.

It is important to note that Baudrillard was not the first to put forward a critique of the Hegelian element in Marx. His contemporary Louis Althusser offered a highly developed argument of this sort, notably in *For Marx* (Althusser 2005) and *Reading Capital* (Althusser and Balibar 1970), both of which appeared in France in 1965. But while Baudrillard seems



to suggest that Marx's Hegelianism vitiates his theory, Althusser had argued for a reconstructed version of Marxism (drawing on the ideas of the French philosopher of science Gaston Bachelard to repair and develop some of the problematic areas). Since Baudrillard's *Mirror of Production* came after Althusser's main contributions, one might expect him to engage with Althusser's interpretation. And indeed, we find a lengthy quotation from Althusser in the appropriate place in Baudrillard's text ( pp. 115–116). For anyone familiar with Althusser's writings, however, the use Baudrillard makes of this quotation raises a serious question mark over either his intellectual honesty or his comprehension. In *Reading Capital* Althusser was presenting a critique of Hegelian interpretations of Marxism. In the passage that Baudrillard cites, Althusser is setting out the Hegelian view that he later goes on to criticise. Baudrillard however, takes this passage to represent Althusser's own views rather than the view that Althusser is criticising.

**2.3. The end of the working class?** Baudrillard claims that production is not a universal necessity. We suspect that part of his ground for this view is the set of processes that were much discussed in the 1970s: the emergence of post industrial society, the disappearance of the working class, the rise of the media, and so on.

In pre-industrial societies, the majority of the population was engaged in agriculture. In the present-day UK, for example, less than one percent of the population is so engaged. This does not mean that the UK has learnt how to do without food; it reflects a huge increase in agricultural productivity. Similarly with industrial production: a smaller percentage of the population has to work in manufacturing to produce a given level of output. But here there is another important factor: the notion of the disappearance of manufacturing speaks of a European or North American perspective; what has actually happened is that the erstwhile European manufacturing nations now import industrial products from Asia. Although manufacturing work may be disappearing in one part of the world it is increasing in another.

### 3. THE VIEWS OF BETTELHEIM

One of our starting points, when working on this book, was the work of Charles Bettelheim (Bettelheim 1971) on socialist economy, but we were unsatisfied with the positions he had arrived at. He seemed better at posing questions than providing answers. Despite the merits of his historical work on the USSR in the 1920s and 30s he failed to develop a coherent economic theory of socialist society. For instance in his last English-language publication (Bettelheim 2001), he wrote that the concept of a socialist mode of production was a theoretical innovation of Stalinism. This is partly right. But the idea of socialism as a transitional phase prior to communism is earlier: it is there in Lenin, it was not there in Marx. If this transitional period exists, the question inevitably arises as to what mode of production it has. But all that Bettelheim said was that the concept of a socialist mode of production was an innovation of Stalinism, which by implication he disagreed with. What was missing was:

- (1) an account of what the mode of production in the 'socialist' countries in fact was, and what its laws of motion actually were; and
- (2) a conception of the mode of production of communism and its laws of motion.

If he had filled these gaps this would be some real theory with which one could come to grips, but it never seemed to come.

Bettelheim wrote that "capitalist ownership is not a juridical category, it is a social category that denotes the set of conditions of capitalist production." This is fair enough,

but very ambiguous unless one specifies things in much more detail. In the absence of such detail it is hand-waving, not theory. He goes on to point out that the official Soviet *Manual of Political Economy* speaks of socialist price and socialist wage. The official doctrine was that these were instruments or forms which had a new content in socialist economy. This Soviet theory can now be seen to be quite problematic, but rather than producing a real analysis of these issues Bettelheim just says that it “leads to a rejection of the fundamental thesis of Marx that the forms of social relationship cannot be separated from their nature.”

It is not clear that this is a fundamental thesis of Marx. At any rate, what is missing here is any analysis of the system of reproduction in the USSR, analogous to the analysis of capitalist reproduction in volume II of Marx’s *Capital*, that would enable one to say whether these forms were or were not playing the same role as before.

Our contention is that the forms in question were not playing the same role, and in particular that the value of the money wage was not the same as the necessary labour time. A significant portion of the real consumption of the working class in the USSR came in the form of goods that were distributed either free or at subsidized prices significantly below their labour values. Thus one of the key components of Marx’s analysis of capitalism, the reproduction of labour power through wages, no longer fully held. In our analysis, this had significant effects on the development of the economy.

The issue of planning was publicly raised in debate between Bettelheim and Paul Sweezy in *Monthly Review* ((Sweezy and Bettelheim 1971)). The context of the debate was the economic reforms in Czechoslovakia that gave a greater role to the market. Sweezy argued that these reforms were retrogressive: anything that reduced the role of planning and increased that of the market was taking us further from socialism. Bettelheim responded by saying that Sweezy’s analysis was at the wrong level. What really mattered was which class was in power.

I think that in the analysis of a social formation two kinds of “errors” (i.e. of ideological approaches) are readily made. One is to limit the analysis to *juridical forms* (this is the error you denounce); the other is to limit the analysis to *economic forms* (this is the error which you make, and which is also present in any discourse on political economy concerned only with *forms*: exchange, money, prices, market, etc.). *In both cases no true analysis takes place, since the emphasis is precisely on forms*, i.e. on that which is manifest, whereas analysis must reach the underlying elements which the manifest content dissimulates... (p. 17).

Bettelheim believed that the decisive factor was not economic but political: “This decisive political factor ... results from the fact that the proletariat ... has lost its power to a new bourgeoisie.” (p. 16)

Bettelheim was dismissive of the idea that economic planning was a significant feature distinguishing the USSR from capitalist economies. He held that plan objectives were often not met, that “planning exerts an effective but blind action on reproduction,” and that “it does not shield the process from the exigencies of capital accumulation and its inherent contradictions” (Bettelheim, 2001). This is a statement of an attitude rather than any sort of argument. We need some account of how planning operated to bring about reproduction, of the “exigencies of capital accumulation,” and of the “inherent contradictions” from which planning failed to shield the USSR. He does not elaborate on this, but let us look at some of the “inherent contradictions”:

- (1) *Contradictions due to the possibility of formation of money as a hoard interrupting the circuit M–C–M’ at the M phase.* This was the major contradiction of the

capitalist world economy after the crash of 1929, but there was no possibility of this contradiction operating in a planned economy, and the USSR was completely unaffected by the downturn in the world economy in the 1930s, the period studied by Bettelheim. This was obviously a major ideological influence on the support for communism elsewhere in the world at the time.

- (2) *Contradictions due to a rise in the ratio of past to present labour in production.* In a capitalist economy this appears as a rising organic composition of capital and a falling rate of profit. A falling rate of profit is contradictory for capitalism if profit rates fall below prevailing interests rates and inhibit further accumulation. Since the planners in the USSR were not inhibited from re-investing the surplus because of low rates of profitability this did not stop re-investment there the way it would in a capitalist economy. This became evident after the restoration of capitalism when huge parts of the economy shut down since their rate of return was too low for private capital to support.
- (3) *Contradictions due the growth of unproductive expenditures, such as advertising and financial services, consuming an ever greater share of the surplus product.* These contradictions did not operate in the USSR. A glance at the architecture of an average Soviet as opposed to a US city would have confirmed that the proportion of office workers was much lower in the former.

One is left wondering what are the exigencies and what are the contradictions to which Bettelheim refers.

If we are right in saying that the USSR cannot be considered to have been capitalist, then in Marxist terms it can't be right to say it was ruled by a new bourgeoisie. We *can*, however, say this of Russia since 1990. The contrast between the financial oligarchs who now rule Russia and the Soviet system is evident. With hindsight, it appears that Bettelheim was confusing a *possible* development with something that had actually happened.

Bettelheim was wrong to minimize the importance of planning. It's true, the existence of planning does not guarantee that economic decisions are made in the interest of the producers; nonetheless, planning is an essential prerequisite of conscious democratic control of production.

Bettelheim was an explicit supporter of the political Cultural Revolution in China, and his writings have to be understood in the context of the Chinese polemics against the USSR in the 1960s. In hindsight however, it looks as if the polemic against Krushchov was a displacement of internal conflicts within China, between the Maoists and the Deng/Liu Shao Chi wing of the CPC. Krushchov was accused of wanting to re-establish a capitalist economy in the USSR, when the real target was the program of the Deng wing of the CPC which aimed at doing that in China. We know that within a few years of Mao's death, Deng inaugurated a policy of de-collectivisation of agriculture and large scale privatisation of the economy which amounted in all but name to capitalism. This shows that the political forms thrown up in the Cultural Revolution were not a bulwark against the establishment of capitalism in China. The revolutionary committees set up during the Cultural Revolution ended up being dominated by the Communist Party (CP) just as much as the Russian soviets had been. We think that it is inevitable that in a socialist country with a well established CP, grass-roots representative bodies will either be dominated by the CP or by representatives of reaction. The overwhelming majority of convinced socialists will be in the CP, and their political experience and discipline will enable them to easily dominate grass-roots organizations where the general tenor is pro-socialist. Occasions when grass-roots organizations became consistently anti-CP tended to coincide with occasions when

they were dominated by pro-capitalist sections of the intelligentsia and middle classes, the signal example being Solidarity in Poland. Those advocating an ideal council state as against the actual Soviet state were attempting to occupy a political ground that could not exist: for the council state to exist the CP would have to be abolished, but if it were abolished forthwith, as was done by Yeltsin, those who assume power are the representatives of the intelligentsia and managers seeking capitalism.

It was to address these historically revealed inadequacies of the solutions put forward in China that we advocate a return to the institutions of primitive democracy, updated with modern technology.

#### 4. MEASUREMENT OF EXPLOITATION IN INDIA

The main text contains a quantitative analysis of exploitation in the UK as of the 1980s, and on this basis assesses the potential effect of egalitarian payment for work performed. In this section we attempt a brief counterpart analysis for contemporary India. The account is much sketchier since data are relatively hard to come by, at least for researchers outside of India. We could not find exactly aligned figures for all the components of the calculation.

Table 2 is intended to show two things: first, how much monetary value does an hour's labour create in India; and second, how much of that value is returned to workers as wages? At around 200 percent, the rate of exploitation is much higher than we found for the UK, but similar to the figure that we calculated recently for Mexico. A rate of exploitation of 200 percent means that the total working time breaks down as two parts surplus value to one part wages. In other words, if workers in India received as wages the entire value that they create, the average wage would be three times higher than at present.

TABLE 2. Value and wages in India

weekly hours	employment (millions)	total annual hrs (millions)	Value added (Rs $\times 10^9$ )	Value added/hour (Rs per hour)
46.8	369	897998.4	19177.2	21.36
monthly earnings		hrs/month	hourly pay	exploitation (%)
1469.75		202.8	7.25	195

Based on data from the ILO Yearbook of Labour Statistics, 2005, and the UN National Accounts, 2002–03. Gross value added and total employment are for the year 2000, hours worked from 2003, and monthly earnings are an average of annual figures from 1999 to 2002.

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