



RESEARCH ARTICLE

ECONOMICS OF MODE OF PRODUCTION

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ABSTRACT

Society refers to a group of people having their own way of living, culture, tradition, convention, norms and the like. Now the question is how such society has emerged. With the advent of Neolithic Revolution and the rise of agriculture leading to a food surplus, private property, inequality and the emergence of class distinction a transition from a primitive classless society to a slave society occurred. Subjugation of some people by others created a society where the control of a dominant class over a labouring class became the primary mode of production. The economy in a slave society was characterised by large scale production of agricultural output using unpaid labour of enslaved people. The feudal mode of production was characterised by a small class of landlords owning land and extracting surplus labour and crops from peasants in exchange for protection and use of small plots of land. A hierarchical social structure of lords and serfs had been created and lords used political and legal power to exploit peasants. The capitalist mode of production relied on commodity production for market exchange with private ownership of the means of production by a small class of capitalists who hired wage labourers to generate profit and accumulate capital. Instead of being ruined by its own crises capitalism has now revived through the introduction of democracy. A tendency has been developed to make some benefits available to targeted group of people who are selected not on the basis of their need but on the basis of the need of the patrons of capitalism. Here arises the capitalist-ruler nexus feeding each other and finding the way to revitalise capitalism. Democracy acts as a crucial instrument in this regard. In a nutshell democracy has become a weapon to keep capitalism out of crises and in the process capitalist-ruler nexus is quite visible and they feed each other in their operations. We the common people of the society have turned into helpless silent spectators of capitalist exploitation surrendering our voice to created obligations or becoming helpless shading tears. Mass upheaval through proper education is the only way out. This present paper seeks to analyse the process and make some concluding observations.

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INTRODUCTION

The present society as we observe today was not in its present form. At the beginning it was very small nomadic groups based on kinship and cooperation. With the passage of time it has undergone changes. The evolution of human society from the Palaeolithic Age to the Iron Age reflects a gradual transformation from simple to complex ways of life. In the Palaeolithic Age, humans lived as nomadic hunter-gatherers, using crude stone tools, fire, and cave shelters in small groups. With the Mesolithic Age, more refined micro lithic tools, fishing, and animal domestication marked a transitional phase toward settled life. The Neolithic Age brought the agricultural revolution, as farming, animal rearing, and permanent villages developed along with pottery, weaving, and polished tools, leading to surplus food and social organization. In the Chalcolithic Age, copper tools appeared alongside stone, trade expanded, and early townships formed. The Bronze Age saw the rise of great river valley civilizations with bronze weapons, urban centres, writing systems, centralized governments, and

social hierarchies. Finally, in the Iron Age, stronger and cheaper iron tools revolutionized agriculture, warfare, and economy, enabling surplus production, population growth, and the rise of large kingdoms and empires, thus laying the foundation of classical civilizations. Availability of resources, expansion of knowledge and cravings for the material gains on the part of people have contributed a lot to bring about changes in relationship among the members of the society. Existence of private property and ownership has given birth to stratification among the members of the society and at the same time resulted in wide spread income inequality. Mode of production which provides the base of the economy has under gone changes with the passage of time and resultant changes in superstructure have been observed. With this very brief introduction let us turn to origin and evolution of society as well as concomitant changes in Mode of production.

Origin & Evolution of Society: Changes in Mode of Production: Whenever we come across with the term 'society' we are placed at the midst of a group of people having their

own way of living, culture, tradition, convention, norms and the like. Now the question is how such society has emerged. In pre-historic age there were small nomadic groups based on kinship and cooperation and their livelihood was governed by their subsistence level. There after we find domestication of plants and animals leading to settled communities and consequent emergence of collective property ownership. This property ownership gave birth to the framing of social hierarchy and division of labour. As soon as division of labour came into existence there arose the necessity of rules and regulations. As a result a structured society evolved with rulers, priests, warriors, peasants etc and class, rules, religion became the driving force of the society. The economy was agrarian in nature and barter exchange was operative. The mode of production, that consists of two intertwined elements: the forces of production and production relation, was characterised by collective ownership of land, a family-based unit of production, low division of labour and cooperation with rudimentary technology for cultivating crops, raising live stocks and creating tools.

With the advent of Neolithic Revolution and the rise of agriculture leading to a food surplus, private property, inequality and the emergence of class distinction a transition from a primitive classless society to a slave society occurred. Subjugation of some people by others created a society where the control of a dominant class over a labouring class became the primary mode of production. This mode of production was based on private property ownership of both means of production and producers by a non-labouring class. Slaves were considered the complete movable property of their owners, existed as a legal commodity, who were forced to work in exchange for basic subsistence with the slave owner extracting surplus labour to maintain their wealth and status. The economy in a slave society was characterised by large scale production of agricultural output using unpaid labour of enslaved people. The wealth generated by slave labour was concentrated in the hands of the slaveholding class creating significant social inequality. The development of agriculture and domestication of animals gradually approached towards creation of surplus and allowed specialisation and accumulation of private property. Such a shift led to the rise of land as the primary source of wealth and power and class division continued. Powerful landowners controlled the means of production and established the relationship of stratification and complexity. Obviously the landowning elite class being in a position of advantage in the society dominated over the class characterised by serfdom and turned into feudal lords.

The closing of slave sources, the decline of intercontinental trade, revolts from the slaves, improvement in technology reducing the necessity of slave labours and wide spread tying of slaves to the land paved the way to be turned into feudal lords on the part of slave owners for the sake of their own interest. The feudal mode of production was characterised by a small class of landlords owning land and extracting surplus labour and crops from peasants in exchange for protection and use of small plots of land. A hierarchical social structure of lords and serfs had been created and lords used political and legal power to exploit peasants. The core of the feudal mode of production was the relationship between the lord and the peasants. The lord controlled the land and the peasants were tied to it and obliged to provide labour and a portion of their produce. In essence, the feudal mode was a system of social, economic and political relations designed to ensure the

landlord's dominance and their ability to extract a surplus from the labour of the peasant class. The basic economic law of feudalism consisted in the production of surplus product to satisfy the demands of the feudal lords by means of exploitation of the dependent peasants on the basis of the ownership of the land by the feudal lords. An overly exploitative feudal society characterised by high rent and excessive control over peasants led to a breakdown in the relationship between lords and tenants. The inherent inefficiency of the feudal mode of production created crises within the system accelerating the transition towards a more dynamic system in which importance of money, exploration of trade and commerce, consolidation of power in centralised states, separation of labour from the means of production giving rise to wage labour created the way to a capitalist society based on private ownership and profit.

The capitalist mode of production relied on commodity production for market exchange with private ownership of the means of production by a small class of capitalists who hired wage labourers to generate profit and accumulate capital. The price system allocated resources among competing ends and the sole motive was to accumulate surplus value. Key features of the capitalist economy included private property, market competition, the profit motive, wage labour and a minimal government intervention, freedom of choice. Essentially the capitalist society allowed disparities in distribution of wealth resulting in income inequality. With the growth of capitalism we also come across with the term 'crisis of capitalism' which refers to periodic and systematic challenges and contradictions within the system that threatens its stability and legitimacy. Capitalism is prone to cycles of boom and bust often rooted in its inherent drive for endless growth and profit. Crises also extend beyond economics to encompass broader social problems like increasing inequality, lack of intergenerational mobility, declining trust in corporations and institutions. A Marxist perspective views crises as inherent to the process of capital accumulation driven by the system's need for continuous expansion and its internal conflicts. In essence the crises of capitalism are recurring themes in political and economic discourse. In course of such discourses the issues whether capitalism will be wiped out or capitalism will find its own way out to bring it out of its own crises through adaptive approaches have come up. No substantial evidence of wiping out of capitalism and emergence of dictatorship of proletariats have been found excepting the case of Soviet Union and China though there have been greater degree of deviation from what Karl Marx has envisaged. A tendency has been developed to make some benefits available to targeted group of people who are selected not on the basis of their need but on the basis of the need of the patrons of capitalism. Here arises the capitalist-ruler nexus feeding each other and finding the way to revitalise capitalism. Democracy acts as a crucial instrument in this regard. In virtually all democratic governments throughout ancient and modern history, democratic citizenship consisted of an elite class until full enfranchisement was won for all adult citizens in most modern democracies through the suffrage movements of the 19th and 20th centuries. The original form of democracy was a direct democracy. The most common form of democracy today is a representative democracy, where the people elect government officials to govern on their behalf such as in a parliamentary or presidential democracy. World public opinion strongly favours democratic systems of government as opposed to dictatorial autocratic system focusing on opportunities for the people to control their leaders

and to oust them without the need for blood shedding revolution. Cornerstones of democracy include freedom of assembly, association, property rights, freedom of religion and speech, inclusiveness and equality, citizenship, consent of the governed, voting rights, freedom from unwarranted governmental deprivation of the right to life and liberty, and minority rights. Now let us find how democracy acts as a savour of capitalism and exerts huge economic costs in the economy.

Economic Costs of Governance: Democracy as a savour of capitalism: If we want to analyse economic costs of any form of governance we should first concentrate on the mode of production allowed in the state and subsequently concentrate on the procedure by which this mode of production is being reshaped in the state. A mixed economic system, that synthesizes the elements of a market economy and the elements of a command economy, protects private property and allows a level of economic freedom in the use of capital. It also allows for governments to interfere in economic activities in order to achieve social aims. The idea behind a mixed economy, as advocated by John Maynard Keynes and some others, was not to abandon capitalism, but to retain a predominance of private ownership and control of the means of production, with profit-seeking enterprise and the accumulation of capital as its fundamental driving force. In "Human Action", Ludwig von Mises argued that there can be no mixture of capitalism and socialism. Mises elaborated on this point by contending that even if a market economy contained numerous state-run or nationalized enterprises, this would not make the economy mixed because the existence of such organizations does not alter the fundamental characteristics of the market economy. Friedrich von Hayek as well as Mises argued that there can be no lasting middle ground between economic planning and a market economy and any move in the direction of socialist planning is an unintentional move toward what Hilaire Belloc called "the servile State". Apart from the theoretical criticisms labelled against democracy we are now more concerned about how democracy works. Freedom of speech, freedom of expression, education and independence of Judiciary are considered to be the pillars of democracy. It is needless to discuss all those pillars elaborately as each of them is self-explanatory. The one and only one question that is mostly pertinent is the extent to which we can enjoy our freedom. Actually there exist two types of restraint on the enjoyment of our freedom. They are forceful restraint and the other is obligatory restraint. Let us elaborate them one by one. First let us take up the case of forceful restraint. Forceful restraint comes from pre-poll and post-poll violence along with continuous threat to exercise our freedom of choice in respect of electing our representatives. Obligatory restraint is much more serious and it works through various channels such as schemes announced and implemented by the Government in the name of improving the condition of targeted section of people or helping them rather than finding a permanent solution to their problems, recruitment in various departments through name's sake autonomous bodies. Here arises a huge economic cost of democracy. In the following lines we will take up the issue. Government schemes involve a huge cost to the country. The implementation of populist schemes aiming at temporary relief and involving suboptimal or unproductive allocation of resources has made it possible on the part of politicians to make people feel and obligatory restraint to freedom has become operative. Another case of obligatory restraint is found in substantive as well as temporary recruitment in various

departments through so called autonomous bodies controlled by the Government. Obviously such an arrangement gives rise to suboptimal allocation of human resource resulting in underutilization of productive capacity. Education performs an important role in the formation of human capital and entire education system is modelled in such a way that it produces a class of dependent job seekers who will have no other alternative but to support the ruling Government. Basically quality is measured by contribution of the learners after completion of learning. Now in order to measure a learner's contribution we may identify some specific fields where a learner uses to contribute. These fields may be job market, family life, locality, society or country. The main key of achieving quality in higher education is to pay attention to the contribution to be made by a learner. In this line of thinking the present day educationists in our country are keen on propagating some innovative steps, which they claim to be instrumental to ensure quality in higher education. Nowhere counselling for admission is used in true sense of the term. What is actually done is to select students only on merit basis, nothing else. Admission through counselling has an obvious advantage of having proper manpower planning and it involves a lot of time. Unfortunately educational institutions are not having proper infrastructure to implement counselling in true sense of the term. Teaching-learning process is not at all commensurate with the development of inquisitive mind among learners, extraction of potentialities of the learners as well as development of thinking ability among the learners. At different points of time teaching community has been suggested to introduce innovative steps to extract the potentialities of the learners. Unfortunately both syllabus and examination pattern are not so motivated. In-depth study habit is not being developed due to faulty examination system. For effective functioning of an institution activities of its management is required to be assessed and streamlined so that the proper objective of quality education can be ascertained. As management is bound to function within the limited sphere of liberty, its working in the matter of ascertaining quality is also bound to be limited. At the same time streamlining of management must be in conformity with the stated objective, not with the intention of the Government. In an ideal situation there should not be any gap between intention and stated objective. It is highly unfortunate to note that our education system is suffering from the very existence of such gap. Persistence of such gap will surely lead to have continuous qualitative degradation in our education system. Last but not the least is the role of teachers in ensuring quality in higher education. Only sincere dedication and devotion to teaching can bring about success provided they are supported by the peripheral commitment to achieve quality education. Present day education policy lacks commitment and is full of ornamental suggestions. These suggestions are simply to divert attention from the core of the problem. There are so many people who are of very positive attitude on those suggestions. But very humbly I beg to differ with them in most of the cases as my understanding of the problem follows an inwardly different stream. What to do? I can't change my observations and feelings. In order to ensure quality in education the measures, which are really able to bring quality, are to be suggested and implemented. Hollow advices and so to say big words are bound to bring higher education devoid of quality. Hence there emerges a huge misallocation of resources and involves an economic cost of democracy. With a broken heart we note that in a representative form of democracy there does not exist any justified desired correspondence between elected

representative and his/her electors. Instead we find power monger politicians to appear before election and change of representative through exercise of our voting rights, if we really can, does not yield any fruitful result. We the people are to be satisfied with the percolated benefits that are derived through the process of politicians being well established in power to rule us in accordance with their will. The entire arrangement involves an unimaginable huge economic and social cost in the parliamentary form of democracy. Another striking feature of democracy is that people are considered to be little aware of their own benefits and the proponents of representative democracy or so called politicians are the right persons to feel and understand what is beneficial for the common people is. Surprisingly they claim to be knowledgeable enough to understand the benefits of their electors and their electors are sufficiently incapable of understanding their benefits.

CONCLUDING OBSERVATION

In a nutshell democracy has become a weapon to keep capitalism out of crises and in the process capitalist-ruler nexus is quite visible and they feed each other in their operations. Changes in society and the concomitant changes in Mode of production has never been a smooth process. It is the result of deliberate and motivated attempt on the part of dominating class to maintain their dominance over the oppressed and exploited class. Capitalism is not an exception to that. We the common people of the society have now turned into helpless silent spectators of capitalist exploitation surrendering our voice to created obligations or becoming helpless. Such helplessness is gradually pushing us into frustration leading to shading of tears. Mass upheaval through proper education is the only way out.

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