

CHAPTER 11

FURTHER DISTINCTIONS

Having compared statism with capitalism in their pure forms, in this chapter I will establish the relations and differences between the technobureaucratic and Asiatic modes of production as well as between bureaucracy and technobureaucracy. I will also discuss the concept of state capitalism as a false alternative to statism, present two classical views of statism and the new middle class, and conclude with a summary of the theory.

1. The Asiatic Mode of Production and Statism

Marxists possess a powerful tool for analyzing society - historical materialism -, but it is extremely difficult for them accept a new dominant class that is not the working class, and a new mode of production that is not socialism. Classical Marxism proposed that after capitalism would come socialism. To deny this historical determinism and to say that after capitalism - or instead of capitalism - we may have a mode of production that is not socialism sounds like a heresy to them. We have made some advances. Umberto Melotti (1977), for instance, takes the expression "bureaucratic collectivism" from Bruno Rizzi and defines it as a new mode of production that follows the Asiatic mode of production in Eastern societies, parallel to capitalism which took place in the West after feudalism. I do not accept this geographic dichotomy and necessary parallelism, but there is no doubt that statism has a strong relation to the Asiatic despotism studied by Wittfogel (1957) in the lines originally proposed by Marx in the *Grundrisse*, where he defined the Asiatic mode of production.

The common characteristics of the Asiatic and technobureaucratic modes of production are related to the state ownership and to the traditional bureaucratic nature of the class-state that dominated the Asiatic mode of production.⁵² The Asiatic mode of production was the most generalized and permanent form of evolution of the primitive community when it had managed to produce a surplus. The slave, the Germanic and feudal modes of production can be considered exceptions in relation to the Asiatic mode, that was the dominant mode in Asia, Africa, and the pre-Columbian civilizations of the Americas. One of its key characteristics is the appropriation of economic surplus

⁵² The classical analysis of the Asiatic mode of production was made by Wittfogel (1957). See Maurício Tragtenberg's contribution (1974) concerning the relations between bureaucracy and the Asiatic mode of production.

by means of tributes. This is why Samir Amin (1973: 448) prefers to call it the tributary mode of production.

It found its greatest expression in the hydraulic civilizations of the Nile, the Ganges, the Indus, the Tigris and Euphrates, and the Yellow river, where there was a need for government bureaucracy to regulate the utilization of the waters. Here the sedentary populations were organized in subordination to the class-state, a permanent, stable "all-embracing unity". Property belonged to the community, but the class-state appropriated the surplus that was produced through tribute. This system is justified militarily by defense; bureaucratically by organization; or theocratically by divinity. In *Pre-capitalist Economic Formations*, Marx states:

"in most Asiatic fundamental forms it is quite compatible with the fact that the all-embracing unity which stands above and all these small common bodies may appear as the higher or sole proprietor, the real communities as hereditary possessions... Oriental despotism therefore appears to lead to a legal absence of property. In fact, however, its foundation is tribal or common property" (1857: 69-70).

Thus there is nothing new about a class which, although it does not have private ownership of the means of production, manages to assume the dominant position in society and appropriate economic surplus. This was the most generalized form of social organization throughout the long pre-capitalist period. The differences in relation to the technobureaucratic mode of production are important: production of goods is still controlled by workers, technological development and the process of the division of labor are incipient, and neither wage labor nor salaries exist. Yet the similarities are also impressive. In both models, the bureaucratic class assumes control of the state in its own name. Its source of power rests in its administrative control of society. This control is cloaked in juridical-religious forms in some cases, and juridical-technical terms in others. The fact that private property does not exist does not prevent the dominant classes in each mode of production from appropriating the surplus produced. Nor should the authoritarianism in each model be forgotten. Sometimes it is based on religion, other times, on political ideologies, but it is also based upon efficientist bureaucratic and military power.

2. Bureaucracy and Technobureaucracy

The technobureaucratic mode of production is characterized by rational, impersonal administration, and by hierarchical, formal structure. However,

bureaucracy should not be confused with technobureaucracy. As an ideal type bureaucracy is a historical model. It exists in all antagonistic modes of production and is dominant in the Asiatic and the technobureaucratic modes. If this concept of bureaucracy is restricted to the bureaucratic model studied by Weber (that is, the state bureaucracy that developed in capitalist countries in the 19th century), the distinction becomes clearer. The foundation of bureaucratic domination is rational-legal. Juridical norms define the authority of officials and legitimate their power. The bureaucrat's career is rigidly defined in juridical terms. Positions are hierarchically arranged, each with its respective responsibilities and authority. The efficiency of the organization is the final goal of bureaucrats and also their final legitimation. Yet this objective becomes easily lost in the implicated tangle of juridical forms. From Weber's point of view, the bureaucracy was not yet a class, but merely a status group.

The technobureaucracy can be viewed as a more modern or more technical form of the bureaucracy. Its authority is also rational-legal but its juridical legitimation gives way to technical legitimation.⁵³ The efficiency of the organization is considered the most important goal. Technical competence is no longer acknowledged by means of entrance examinations and diplomas, as in Weber's model, but rather depends upon the effective performance of the technobureaucrat. Whereas the bureaucratic organization tends toward rigidity, based on the principle of unity of command and administrative centralization, the technobureaucratic organization is much more flexible, abandoning the principle of unity of command to adopt various overlapping combinations for line and functional authority. The decision-making process tends to be decentralized. Large numbers of committees are formed which take charge of coordinating activities and making decisions. The career system is not rigidly defined for a technobureaucrat, his/her function is defined in terms of the needs of the system and of his/her personal characteristics. Thus the impersonal character of the bureaucratic organization is reduced, the level of managers' participation in decision-making is increased, and in this way, the system's efficiency further developed.

This does not mean that the technobureaucratic organization is necessarily efficient. There is always an assumption concerning the technobureaucrats'/technobureaucracy's efficiency and technical competence, but this is often merely a legitimation for power, not necessarily based in reality. While bureaucracy is a mere status group at the service of the dominant class,

⁵³ Manuel Garcia-Pelayo (1974) proposes a similar distinction in contrasting bureaucracy and technocracy. However I prefer the term technobureaucracy to make clear the fundamental bureaucratic nature of this mode of production.

technobureaucracy assumes the character of a social class, working in association with the bourgeoisie in technobureaucratic capitalism, and becoming dominant in statism.

3. State Capitalism?

According to several interpretations, the Soviet Union would be a case of state capitalism. If the question were simply that of a name, state capitalism signifying a mode of production where the technobureaucratic class (or state bourgeoisie) controls instruments of production through bureaucratic domination, I would have no objection. I would merely observe that the expression state capitalism was being used incorrectly. The use of this expression, however, reveals a basic inability to define the Soviet state.

In its original meaning, this term was used very differently by Lenin⁵⁴. State capitalism was understood as the capitalist system of the large private enterprises where the state exercised strong control. Lenin used Germany of the Junkers and of Bismark as a model for state capitalism. In order to characterize contemporary capitalism, I am using the expression technobureaucratic capitalism in order to emphasize the role of the new class. On the other hand, statism, or the technobureaucratic mode of production, seems to be a much more appropriate term to describe the phenomenon presently analyzed.

The expression "state bourgeoisie" which Charles Bettelheim uses to characterize the betrayal of the socialist revolution in the Soviet Union is clearly inadequate.⁵⁵ The bourgeoisie is a historically well defined and established class. I could use the term state capitalism if I wanted to show that the Soviet Union is a society where the capitalist mode of production is dominant. But this would be

⁵⁴ - See the highly explanatory work of Leôncio Martins Rodrigues and Octaviano de Fiore on Lenin's vision of state capitalism and of the bureaucracy in state society (1976).

⁵⁵ Charles Bettelheim defines the state bourgeoisie as follows: "The concept of a 'State bourgeoisie' (or State bureaucratic bourgeoisie) cannot be expanded here. It will merely say that it refers to those agents of social reproduction, rather than the immediate producers, who, by virtue of the existing system of social relations and prevailing social practice, have de facto at their disposition the means of production and their products which, formally speaking, belong to the state" (1974: 53-54, note 52). The author introduced this expression previously (1970: 22 and 64).

a capitalism with no bourgeois capitalist class, no private ownership of instruments of production, no private appropriation of surplus through profit, no economic coordination through the market... In synthesis, it would be a capitalist mode of production with neither capitalists nor capitalist relations of production.

Another curious idea is that in a system like the Soviet one, the "state bourgeoisie" would function at the top level of the system and appropriate the majority of its benefits, whereas the bureaucracy would serve this state bourgeoisie. The only merit this theory has is that it reminds us that technobureaucrats are hierarchically organized. There are technobureaucrats on various levels of the bureaucratic pyramid, but there is no reason to make a qualitative distinction among them.

4. Trotsky critique and Socialism or Barbarie

To finish this Part of the book, it is necessary to refer to Trotsky's critique of the Soviet bureaucracy in the 30's and also to the innovative work of the group who published *Socialisme ou Barbarie* in France from 1949 to 1965. Both make an important contribution to the analysis of the relations of production in the Soviet Union, although they never reached entirely satisfactory conclusions in terms of this question.

Trotsky's critical analysis of the Soviet revolution and Soviet bureaucracy originated at a time when a series of contradictions made it difficult to clearly define the nature of the relations of production in the Soviet Union. Isaac Deustcher analyses these contradictions in his extraordinary biography of Trotsky (1963: 461-480). On one hand, he firmly denies that the capitalist system had been restored in the Soviet Union, since the means of production continued to be nationalized and the planning system was maintained. However, he admitted that the threat of a restoration of capitalism existed if those conquests of the revolution were not defended. The State continued to be a workers' state. What had occurred was a "bureaucratic deformation" caused by the backwardness of the world socialist movement and by the weak and backward position of the Soviet workers and peasants due to the low level of development of the productive forces there. This bureaucratic deformation gave rise to a "caste" of Stalinist bureaucrats. He used this term since he could not speak of a class, as he could not yet define the basis for a new mode of production.⁵⁶ It was important for Trotsky to affirm that the State continued to

⁵⁶ It should be pointed out that Trotsky never confused the bureaucracy with the bourgeoisie. This is especially clear in the preface of *The Revolution Betrayed*,

be a workers' state because he feared a return to capitalism, yet at the same time he proposed and nurtured hopes for a new workers' revolution (Trotsky, 1940).

Now, seventy years later, neither of these possibilities have materialized. It is hardly to describe this phenomenon as a mere transitory bureaucratic deformation in a socialist society. It is true that the great crisis of the 1980s, triggered by the glasnost and the perestroika, is a threat to the power of the technobureaucrats. But it is unlikely that, after this crisis, the dominant class in the presently statist countries will be either the working or the capitalist class. A more probable outcome will be a pluralist social formation, where technobureaucrats, workers and capitalists will share power in some way. On the other hand, Trotsky was correct in denying that capitalism had been restored in the Soviet Union. Thus there is no other alternative but to critically define as statist the new relations of production that have taken shape in the Soviet Union, which originated in the Stalinist thermidor.

Cornelius Castoriadis and Claude Lefort were key figures in the *Socialisme ou Barbarie* group. They developed a socialist critique of the Soviet Union, denouncing the distortion of both Marxism and socialism there. Castoriadis' 1949 study, "Les Rapports de Production in Russie", not only criticizes Stalinism, but also Trotsky's position. The latter was opposed to both Stalin and the Stalinist bureaucracy, and did not consider the distribution of income to be socialist in the Soviet Union. However, he defined the bases of Soviet society as socialist, because the state had ownership of the means of production, planned the economy and monopolized foreign commerce. Castoriadis' analysis points out how socialism differs from state control where workers do not command the state apparatus. He shows how this power was assumed by the bureaucracy in the Soviet Union; how the power of the soviets atrophied because their base - workers' self-management of the production process - was never developed; how, as new relations of production were defined based on production management, a new form for the division of the social product was also automatically defined; how the bureaucracy came to be the dominant class, to the extent that it had the means of production and control of the State entirely at its disposal; and how this bureaucracy determines wages based on the necessities of accumulation and of their own unproductive consumption.

where he criticizes the bureaucracy for allowing the emergence of a petty bourgeoisie, especially in the countryside (1937). Later, the Stalinist repression of the kulaks takes place, and Trotsky does not take up the issue again.

However, despite this brilliant analysis, Castoriadis is unable to make a precise definition of the relations of production in the Soviet Union. He merely speaks of a "bureaucratic capitalism" and states:

"Due to the simple fact that one part of the population, the bureaucracy, has the means of production at its disposal, the relations of production result in a class structure. On this level of thinking, the absence of 'private property' has no importance; the bureaucracy has the means of production at its collective disposal, has the right to use, take advantage of and misuse them (being able to create factories, destroy them, hand them over to foreign capital, determine their production and control their output) playing the same role in relation to Russian social capital as stockholders do in relation to a corporation's capital" (1949: 251).

This statement is contradictory and imprecise. How can the bureaucracy be a social class, and the Soviet Union still be a capitalist (bureaucratic) society? On the other hand, the comparison between technobureaucrats and the stockholders of a large corporation is particularly inadequate because the stockholders in this case do not administer the enterprise. Rather, in modern capitalism they are a type of rentier capitalists who invest their capital in a business in exchange for dividends, leaving the management of the enterprise to a group of active capitalists associated with technobureaucrats or professional managers, whose level of autonomy varies within the different enterprises. In a later work, Castoriadis also rejects the term "State bourgeoisie", because it "evades the question of the bureaucracy" (1973: 315). Nevertheless he continues to conceptualize the existence of capitalism in the Soviet Union. From one perspective, it could be said that in using the term "bureaucratic capitalism" he would be voiding capitalism of its specific meaning and thus, could be making reference to a new mode of production. However this argument probably doesn't correspond to Castoriadis' intentions. It seems more correct to conclude that he and the Socialisme ou Barbarie group were unable to bring their argument to its final consequences, to the extent that they were unable to lay the foundation for an analysis of the new relation of production. In particular, they could not identify the role of the bureaucratic state organization as the intermediary between technobureaucrats as a group and the instruments of production. Nor did they recognize the specific form of the appropriation of surplus through salaries in this new mode of production. By their failure to identify these economic characteristics specific to the relation of production, they focused on a more politically based interpretation of the question.

5. Conclusion

The distinction between the Asiatic and technobureaucratic modes of production and between the bureaucracy and technobureaucracy suggest that the general concept of bureaucracy has at least three basic forms. These are: Asiatic bureaucracy, characterized by theocratic-military administration; capitalist bureaucracy, defined by juridical rational-legal administration, and the technobureaucracy, marked by techno-efficientist administration; and the Asiatic bureaucracy participated in the dominant class and tended to be indistinguishable from it; the bureaucrat in classical capitalism is merely a subordinate or consultant to bourgeoisie; the technobureaucrat constitutes the dominant class, in the context of a specific mode of production, and an associate of the bourgeoisie in modern technobureaucratic capitalism.

In this part of the book I analyzed the basic characteristics of a new mode of production that tries to assert its power in conflict with capitalism. Statism is in crisis today all over the world, but this conflict is far from a real resolution. Pure statism is as inefficient as pure capitalism. Pure statism is rather a tool for analysis, that, among other things, will lead us to the definition of a new class - the technobureaucratic middle class - and will lead us to a better understanding of contemporary capitalism, where many statist or technobureaucratic characteristics are found.

Summing up the distinctions between capitalism and statism, we can see that capital - the private ownership of means of production by the bourgeoisie - is the relation of production in capitalism; and that organization - the collective ownership of the means of production by the technobureaucracy through the control of the bureaucratic apparatus of the state - is the relation of production in statism. While the reason of existence - *la raison d'être* - of the capitalist is to accumulate capital, the permanent goal of the technobureaucrat is to expand the organization. In capitalism, there is the accumulation of capital, while in statism it is accumulation of the means of production and expansion of the organization. While in capitalism the productive-unproductive labor dichotomy, where productive labor produces surplus value, served eventually as a criterion to distinguish social classes and as way to describe the transition to capitalism, in statism the relevant dichotomy is that of coordinative-operate work, where coordinative work is performed by technobureaucrats. While wage labor was an eventual characteristic of capitalism, in statism there is only an appearance of wage labor: operative workers are paid according to their productivity, after a deduction for the salaries of technobureaucrats and for the accumulation of means of production. While the capitalist mode of production is based on the commodity relation of production, the labor force itself being a commodity, the basis of the technobureaucratic mode of production is organizational authority.

While the capitalist appropriates surplus privately through profits, the technobureaucrat does the same through high direct and indirect salaries. While alienation in capitalism is based on the fetish form of the commodity, alienation in statism derives from the fetish form of authority. While labor force is a commodity in capitalism, it is an organizational input in statism. While the coordination of the economic system is achieved through the market in capitalism, it is the result of management and planning in statism. While civil society and the state, the private and the political realms, are clearly distinguished in capitalism, they are mixed up in statism. While ideology in capitalism is based on individualism, competition and the profit motive, in statism it is based on collectivism, cooperation and efficiency. Capitalism establishes a rational goal to economic action - profit - and leaves the choice of the means for achieving this objective to the market and the entrepreneurs; statism is a step further in the process of rationalization: it establishes the expansion of organization as its objective and, efficient management as means for achieving this objective. Efficiency, the maximum economy of effort to achieve a given objective, then becomes the basic tenet of technobureaucratic ideology.