
UNIT 13 PRODUCTION PROCESSES

Structure

- 13.0 Objectives
- 13.1 Introduction
- 13.2 Economic Organisation
- 13.3 The Economists' Point of View
- 13.4 Production and Social Factors
 - 13.4.1 Aspects of Land Rights
 - 13.4.2 Social Aspects of Production
 - 13.4.3 Services and Production
 - 13.4.4 Women and Production
- 13.5 Technology and Production
 - 13.5.1 Karl Marx's Views
 - 13.5.2 Material Forces of Production
 - 13.5.3 Economic Structure
- 13.6 Max Weber's Views
 - 13.6.1 Capitalism in Europe
 - 13.6.2 Ideas and Values
- 13.7 Emile Durkheim's Views
- 13.8 Reconsideration
- 13.9 Let Us Sum Up
- 13.10 Further Readings
- 13.11 Key Words
- 13.12 Model Answers to Check Your Progress

13.0 OBJECTIVES

After reading this unit you should be able to describe:

- the economic organisation;
- the economists point of view regarding the production process;
- production as a social activity; and
- how eminent sociological thinkers have studied the inter-relationships between production, technology and society.

13.1 INTRODUCTION

In this unit you will read about the economic organisation. You will know about production processes and its various dimensions. This is done by introducing the economist's point of view. Other related issues such as land rights and social factors in production are also considered. We have also discussed the relationship between technology and production. The discussion is concerned with the views of Karl Marx regarding material forces of production. The views of Max Weber on Capitalism in Europe are also explained. The views of Durkheim are also discussed in this unit.

13.2 ECONOMIC ORGANISATION

Economic organisation is defined as the human behaviour by which goods are produced, allocated, distributed and consumed. This is to say, economic organisation is a planned

action that involves the combination of various kinds of human services, with one another and with non-human goods as such. They in turn satisfy the material wants of human beings. In other words, economic organisation is a design of human action by which goods are produced, distributed and consumed. In brief, it is an arrangement that provides the material means of individual and collective life of every society.

Economic organisation, in one form or another, is a functional prerequisite to the survival and continuity of every human society. But every society be it, a simple, a peasant, or an urban society has a distinct type of economic organisation. The simple tribal societies and the peasant societies have some basic difference from the monetised, market-oriented or state directed and industrialised societies of today. The economic organisation of simple and peasant societies are subsistence type which fall under the broad category of production consumption economy. In urban industrial societies economic surplus is enough to sustain a large non-agricultural population. In this unit we are going to discuss the production processes in all its dimensions.

13.3 THE ECONOMISTS' POINT OF VIEW

Economists define production as the process by which land, labour and capital are

combined to produce articles needed for daily consumption, and the machines, components of machines and raw materials which are in turn required to produce the articles of daily consumption. Land refers literally to the land for agricultural activity or land on which a workshop or a factory needs to be erected. Land is also sometimes used as symbol for nature. Economists used to regard that different pieces of land are endowed with different qualities and thought that these qualities are given and could not be appreciably altered.

Labour refers to the work that is put in by labourers. It is labour which uses machinery and raw materials to produce what the people in a society want. The machinery and raw materials refer to the capital that is required in production. Land, labour and capital are regarded as the important 'factors of production' and the behaviour of each of these factors needs to be studied in order to discover the laws of production. Occasionally economists would add another factor called organisation or entrepreneurship to the list, but by and large, they confine themselves to the study of land, labour and capital.

Gradually, however, it dawned on the economists that there is a human component in the process of production. True, labour is a human component in the process of production, but by assuming that a unit of labour can be treated as equivalent to another unit of labour like machines and tools, they overlooked some of the crucial social and human problems that crop up in the task of increasing production. It fell upon the sociologists to point out that the working and living conditions of the workers, their values and beliefs regarding work, and the social institutions and customs prevailing in the society need to be also considered if a country's production is to be increased. They also pointed out that there should be persons available who will be willing to risk their wealth in setting up industries to increase production. Such persons, called entrepreneurs, flourish best in certain societies which value entrepreneurial activity. This way the sociologists paid attention to the social factors that affect production which were by and large ignored by the economists.

13.4 PRODUCTION AND SOCIAL FACTORS

Production is affected by social factors because production itself is a social activity. In the process of manufacturing a certain article or growing food grains, people enter into definite relationships with each other. These relationships are shaped by the rules regarding ownership, and use of the community's resources. Let us take the case of the Mundas or the Kols who live in the forests of Ranchi district in Bihar. The Mundas are now regarded as a Scheduled Tribe by the government of India. Till recently, they used to practice slash and burn agriculture, locally known as *jara*, they used to clear a patch of forest land by burning. They dug the ground up, spread the ash left from burning and broadcast seeds. Every season the land used for cultivation earlier was left fallow and a new plot was prepared by the same procedure. This type of agriculture is now being discouraged by the government as it results in large scale deforestation. N.K. Bose, an anthropologist, has written about the land rights and social organisation among the Mundas. Originally the forests where the Mundas lived had

belonged to them, but as the contact with the outsiders increased during the British rule, the lands came to be controlled by the British Government in India. Middle men, who did not belong to the tribes entered the picture. They were called the *Khuntkattidars*.

Bose writes that *Khuntkattidars* are a class of landowners within the Munda villages who exercised absolute rights over land. But they allowed individuals to cultivate the tracts of land they needed and reap the harvest. It is clear here that there were several gradations of rights over land. Some had only rights to cultivate and harvest, others had more superior rights. These rights define not only the relationship that members of the society have with each other, but the *Khuntkattidars* apparently derived considerable political powers from their superior rights in land.

13.4.1 Aspects of Land Rights

It should be stated here that the above mentioned type of land rights among the Mundas got modified over the years as they came under the political control of local kings and later of the Moghul rulers, followed by the British. The *Khuntkattidars* now had to acknowledge the jagirdars and kings to whom they had to pay annual rents and tributes thereby restricting the Mundas rights and impoverishing them considerably.

Another example is the system of bonded labour that existed in many parts of India and has continued to survive today despite specific laws which have been enacted to abolish this institution. In Tehri Garhwal district of Uttaranchal, a labourer, usually belonging to the untouchable castes of Doms and Koltas borrows a small sum of money from a landowner in order to get married and subsequently becomes bonded to his landowner-moneylender. He has to work on the landowner's land till he repays his debt with interest which often takes a long time. Often, not only is he expected to work on the land, but his wife is expected to serve the master's household. It is reported that the landless labourers prefer to enter such bondage rather than remain free because in the former case they are assured of their daily food which is provided by the master, whereas the price of freedom may be deprivation of daily food.

13.4.2 Social Aspects of Production

Production is not only as social activity, but also a socially defined activity. In a way it is the society which determines what production is or is not.

Production involves producing some object that is considered to be valuable by society. The object that is considered valuable is called a product. A product has value in use and value in exchange. Value in use or use value, refers to the value that one derives from using a thing or object. Sometimes an object may have use value for some and not for others. For a non-smoker, cigarettes and beedis have no use value but for smokers they have. Besides use value, goods must also possess exchange value, that is, people must consider the object worth exchanging with other objects. Only when these two conditions are fulfilled can an object or thing be regarded as a product. Hence, if somebody spends his time and money to produce some object and if the object is not regarded as valuable in the above senses of the term, then it cannot be regarded as a product. What is regarded as a product in one society may not be regarded so in another. In India cow dung which is used as fuel has value and cow dung cakes are bought and sold. Hence while taking stock of the country's production, the value of cow dung cakes will also have to be added up. This will not be the case in other societies. Or take the instance of gold in India. Gold is considered to be a prestigious metal associated with the gods and hence it has a higher value in India than in other societies. Hence the goods that constitute one society's production need not be the same as that of another. But it should be stressed that as the markets have expanded and are getting integrated to encompass the whole world, there is greater agreement among countries as to the goods that constitute production

13.4.3 Services and Production

Does production only refer to the creation of goods? The answer for this question used to be yes in the past. Thus Adam Smith, who is regarded as the father of modern economics, wrote in his book "Wealth of Nations" published in 1776 that only those who are engaged in the production of goods are productive. Using this criterion, he went on to point out that the services of statesmen, clergymen, professors, artists and others, however prestigious they

may be considered, are not productive. Many of us still carry this idea in our heads when we talk of production consequences. To ignore the services of scientists, researchers, teachers, politicians and such others is to overlook the obvious fact that research, teaching and the framing of proper economic and political policies for the country may substantially contribute to the task of increasing a nation's production. In the modern world, intellectual activity has contributed so much to the production of new products and the development of new processes that the Adam Smithian distinction will be misleading. Moreover, as in the case of medieval professionals and performing artists, their services, though seemingly unconnected with productive activity, indirectly contributes to the well-being of the workers and enhances productivity. Hence services, even those not directly connected with the production of goods have also to be taken into account in calculating the total production of a country. Like in the case of goods, these services also have to be regarded as valuable by the society.

Activity 1

Visit your local library/study centre and collect information about Prof. Amartya Sen as an economist and Nobel Laureate. Write an essay on "Amartya Sen and his Ideas on Economy and Society" of about 1 or 2 pages. Discuss your essay with other students and your Academic Counsellor at your study centre.

13.4.4 Women and Production

Even when services are considered, some services are not included in the definition of production. Many economists point out that the method of calculation of a country's total production in a given year ignores the contribution of women. Women who work on a variety of domestic chores, right from helping their menfolk in agriculture to cooking, washing and nurturing children are treated as dependents, not workers. The statisticians ignore their services in adding to the total value of production because their services are unpaid. But the economists rightly point out that statisticians, however, calculate the value of the amount of food grains produced by the farmers (generally male) for their own consumption. This practice shows the inherent bias against women in society. After all, women's work is not only valuable in itself but household work supports in an important way the entire economy of a country. By minding domestic chores, women release their menfolk for work in the various factories and farms and thus help contribute to a nation's production. This example dramatically bring out how a society's values define what is productive and what is non-productive.

Check Your Progress 1

Note: a) Use the space below for your answers.

b) Check your answer with the one given at the end of this unit.

- 1) Write a brief note on the social aspects of production. Use about five lines for your answer.

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- 2) What is the relationship between services and production? Write a brief note. Use about seven lines for your answer.

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- 3) In what ways are the contribution of women in the production process ignored? Give an example using about seven lines.

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13.5 TECHNOLOGY AND PRODUCTION

In the description of production given above, what is missing is the mention of the technological aspects of production and this should not be ignored. The level of production in a society and the variety of goods and services available will depend on the kinds of tools and machines used. Knowledge of how to build machines and improve their performance and the availability of trained technicians and engineers. These are the technological aspects of production. Technology makes possible new products and processes and nowadays, economic development of a country depends on the stress it places on technological development. In modern societies various industrial corporations and government organisations undertake systematic research so that they can develop new products and processes. Such research and development efforts have made several products and services so inexpensive that even common people can now afford to have them whereas in the past only the rich could have access to them. For instance, modern electronic technology has made it possible for even the poor to acquire transistor radios or for that matter Black & White Television. Only a few decades ago even the radio could be found only in the houses of the well-to-do people in India.

The level of production in any society depends on the technology that is available and on the social relationships and values of that society. If we refer to the social structure and if we regard the values as components of the culture of that society, we can say that production is influenced by technology, social structure and culture. In fact, there are interconnections between technology, social structure and culture.

13.5.1 Karl Marx's Views

Karl Marx's name is associated with the Russian revolution in 1917 and the spread of the communist movement in Eastern Europe, China, Vietnam, Cuba and other countries. Karl Marx (1818-1883) wrote on the dominant social and political questions that preoccupied the intellectual and political circles of Europe during his life time. The contemporary social scientists and intellectuals of his time did not recognise his contributions to the understanding of social and economic changes in Europe. But this neglect was more than made up after his death. Almost all social scientists today have to come to terms with Marx's idea or ideas inspired by Marxism. This applies to political movements as well. Marx's deep insights and powerful analysis did provide new ways of understanding social change and development.

13.5.2 Material Forces of Production

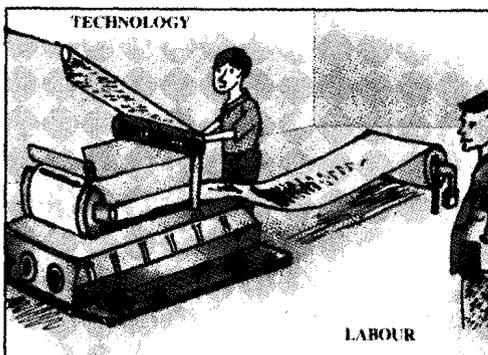
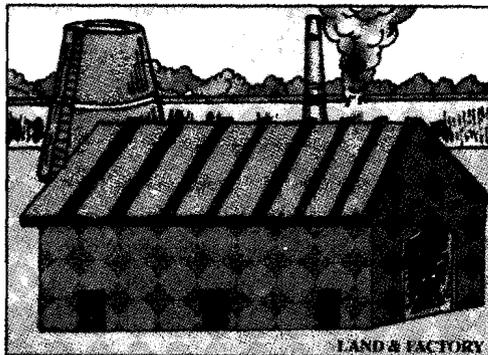
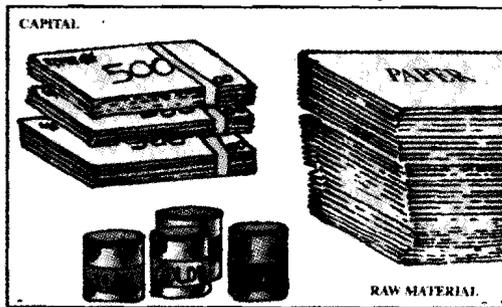
Marx gave importance to what he called the 'material forces of production' and 'relations of production' in explaining the changes that occur in the society. By 'material forces of production' Marx mainly refers to technology. The technological advances that have occurred in human history viz., the printing press, the steam engine, machines to produce goods on a mass scale, all show that these forces of production are continually expanding and social order should be congenial to such technological developments. The printing press or the steam engine could be developed, a time comes when their further development comes in conflict with the prevailing social order. Then the social order must change yielding place to a new order which allows the further development of forces of production. Marx uses the term social order as a substitute for what he calls 'relations of production'. These are definite relationships that men enter into with each other in order to enable the society to produce the goods and services it requires, although these relationships are not entered out of their free will. These relations of production refer to the relationships between a landlord and his serfs, in the feudal period or between the capitalists and the workers under capitalism. The capitalist owns the machines which are the means of production and hires labourers to work on his capital. The labourers hire themselves out to the capitalist because they do not any longer own the means of production and they are only free to sell their labour in the market.

Marx regards that the relations of production, especially the relations between capital and labour are the last antagonistic or conflicting relations. Here the capitalist is able to obtain a profit by exploiting the labourer, the wage the worker gets is much lower than the value of the labour he puts in. When the forces of production under capitalism develop further, a stage will come when the existing relations of production viz., capital-labour relationship prove to be obstacles to the further development of the forces of production. At this stage the social order will undergo a transformation in such a way that the capitalists are eliminated and capital is owned by society at large.

13.5.3 Economic Structure

Marx considers that the forces of production together with the relations of production constitute the economic structure or infrastructure of the society. It is this economic structure that is the foundation on which legal, political and social structure or super structure of the society is built. Marx seems to be using the example of a building here. The foundation of building is not visible but it is very important to decide how many storeys the building can have, the length and width of building and the thickness of its walls. He seems to suggest that it is in this sense that the economic structure of the society determines social relationships, legal and political institutions and the ideas and values that go along with these institutions.

Thus Marx points out that for technology to develop the production relations should be conducive and production relations in turn mature and develop under conducive technological conditions. Technology and production relations together determine the scope for the development of political and social institutions and the ideas and values that accompany these institutions.



Forces of Production according to Marx

13.6 MAX WEBER'S VIEWS

Max Weber (1864-1920) was a leading German sociologist who wrote extensively on not only European societies but also on China, India and Japan. He too was interested in the problems with which Marx was concerned and he took it upon himself to show that the relationship between the economic structure and the social institutions and ideas could be seen in reverse. That is, he specifically set about demonstrating that Marx's interpretation of social change giving the primary role to material conditions rather than ideas or values is at best a one-sided interpretation. In contrast, according to Weber, ideas and values could be shown to shape the material conditions.

13.6.1 Capitalism in Europe

To demonstrate his point, Weber takes as his problem the origin and development of capitalism in Europe. He points out that at the time of the origin of capitalism in Europe there were two other great civilisations which were in some ways more advanced than Europe. One was China, the other India, China was a flourishing civilisation - the first printing press and gun powder had been invented in China. In India, several sciences including mathematics and astronomy had advanced considerably. Yet, it was in England, rather than in China or India, that capitalism took root. To discover the answer, Weber traced the origin of capitalism to the widespread ideas and beliefs that prevailed among the common people belonging to certain sects of Protestant Christianity. These Protestants believed in the notion of predestination, that is the notion that some people had already been chosen by God for redemption. This belief, he argued, created an intense anxiety in them to be among the elect. One way of assuring oneself that one is among the elect is to engage intensely in worldly activities, devotedly working at one's calling or, a task in life that one has been divinely allocated. Mere engagement in one's calling or, a task in life that one has been divinely allocated. Mere engagement in one's calling is, however, not enough. One has to make sure of success in the calling by working methodically at it. But success should be achieved not for the prospect of enjoyment alone that it provides, but for the greater glory of God. These Protestants believed that any time spent in lazing or relaxation is time wasted from being utilised in working for the greater glory of God. Living in luxury is to practice self-indulgence and being distracted from God's work. Hence they led a simple, ascetic life. They also valued honesty in their transactions with others because when one is engaged in God's work there can be no short-cuts to success. These values, Max Weber argued, were in consonance with the spirit of capitalism. After all, saving and investment needed frugality combined with a desire to attain a profit. Methodical hard work, honesty in one's business dealings with others and meeting one's commitments made for predictability and calculability which are essential to ensure that one can, through one's own efforts, methodically attain success in business. True, the world had witnessed. Before the arrival of Protestant businessmen, several businessmen, traders and usurers who made immense fortunes - but they did so, not methodically but by gambling with their luck. Chance and the element of luck had played a major role in their success. Capitalism, however, emphasises rationality - a methodical way of reducing the chance element and increasing one's own control over the outcome of one's efforts. Thus, Weber is quick to point out that this relationship between Protestantism and capitalism was required only during the time of the origin of capitalism. Once capitalism matures, the Protestant Ethic may not be required so much for its further development.

13.6.2 Ideas and Values

Thus Weber regards the ideas and values as often being critical in supporting a particular system of production. Weber also considered the role of technology and the relationship between the capitalists and the workers but what he found remarkable about both technology and production was the principle of rationality on the basis of which they were organised. Technology gets rationalised in a modern factory by developing standardised parts and by dividing work into routine and repetitive actions. The relationship between the capitalist and the worker is rationalised by the organisation of work Weber finds that this rationality not only deprives the worker alone in an industrial unit from the means of his production, but deprives the officer, worker also from the means of his production. It also separates the office worker from the instruments of the bureaucracy because the office worker too, does not own the stationery, the furniture and the building that are required for conducting official

work. He goes on to point out that even when relations of production change, and a socialist system of society emerges in which the means of production are owned by the society at large, the nature of rational organisation of work does not change. The worker continues to perform repeated monotonous tasks to keep up with the rhythm of machine work. Hence Weber feels that relations of production are not important in modern society. What is significant is the spirit of rationality which spreads to every nook and corner of the society.

Check Your Progress 2

Note: a) Use the space below for your answers.

b) Check your answer with the one given at the end of this unit.

- 1) Describe Karl Marx’s views on technology and production. Use about five lines for your answer.

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- 2) Discuss Max Weber’s views on capitalism in Europe. Use about seven lines for your answer.

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13.7 EMILE DURKHEIM’S VIEWS

Durkheim was a leading French sociologist who was a contemporary of Max Weber. Like Weber, Durkheim also tried to come to terms with Marxist thought but his major concerns were different from the major issues of Marxist thought. Durkheim was interested in the problems of morality and social order. But his comments on modern society have relevance in the context of the relationship between production, technology and society.

Durkheim, in his book *The Division of Labour in Society* (1893) has given a relatively optimistic view of division of labour in society. According to him there is a fundamental difference between the pre-industrial societies and industrial societies. Pre-industrial societies have a form of social solidarity which he calls ‘mechanical solidarity’. Mechanical solidarity is a solidarity which comes from likeness and in these societies the ‘collective conscience’ of society envelops the individual members of that society. In these societies division of labour is based on uniformity and there is relatively little social differentiation, Individual members share the same beliefs and values, and to a large extent the same roles. Thus removal of any one segment of society, in an abstract sense, does not affect the rest of the society. These societies have legal and normative values of restrictive type. A criminal is punished not to reform him, but to satisfy the society.

In industrial societies solidarity is based not on uniformity but on differences. Here each part of the society performs a specialised task and the contribution that these tasks do is to maintain the total society. Thus, this division of labour is the type where all the parts of the society are interdependent. Therefore, we cannot remove one without affecting the others. In these societies the legal system is of the restitutive type where reform of the criminal is aimed at rather than the satisfaction of the society. Individual has more freedom in these societies.

Durkheim thinks that the change from mechanical to organic division of labour is like the evolution of an organism from simple to complex ones. This biological illustration suggests that he does not regard industrialisation or the production system as a key factor, in the shift from the mechanical to the organic order. Thus we can see that modern societies are structurally different from the traditional ones - a point that was implicit in Marx and Weber but which has been prominently highlighted by Durkheim. Modern technology and modern production system go along with a differentiated and complex society.

Activity 2

Observe and understand the nature of society you live in such as, your family, kinship group, school, college etc. and read about a tribal community located in the remote forest areas of our country, such as, the Jarwas of Andaman Nicobar Islands. Now try to compare these two cultures in the light of Emile Durkheim's distinction between "Mechanical Solidarity" and "Organic Solidarity" and write a note of about two pages on this comparison. Compare it with the note of other students at your study centre and also discuss with your Academic Counsellor.

Check Your Progress 3

Note: a) Use the space below for your answers.

b) Check your answer with the one given at the end of this unit.

1) What is division of labour? Explain in about three lines

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2) What are mechanical and organic solidarity? Explain in about seven lines.

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13.8 RECONSIDERATION

From the consideration of the views of Marx, Weber and Durkheim, it is clear that all the three recognised that important changes are occurring in the modern society. There is broad agreement between them as far as the description of the changes is concerned but in accounting for them, they differ radically from each other.

Since the time Weber and Durkheim wrote, there have been further social changes in the present day societies. The markets have expanded to cover the entire world. The whole world can now be seen as an integrated economy. Societies which have not developed modern production systems of their own, can import the products of modern technology. Some societies which were till recently working with primitive technologies and continuing with traditional social customs have been forcibly sucked into the vortex of modernisation processes because of the integration of markets. The changes taking place today are so complex that while each of the three thinkers seem to provide some insights into what is happening, there is clearly a need to go further than they have gone in order to raise relevant questions regarding contemporary social changes. In the next unit we therefore, turn our attention to the contemporary social processes.

13.9 LET US SUM UP

In this unit we have studied the production processes. Our discussion has been fairly complete. We saw how various aspects of production are related to social factors. Closely related to this were the various facts of technology and production. Among the important discussions in this unit was that of Karl Marx's views. Both economic structure and material forces of production were discussed. We also discussed Max Weber and Emile Durkheim's views. Finally, we have reconsidered the views of Marx, Weber and Durkheim.

13.10 FURTHER READINGS

Marx, Karl 1970: *A Contribution to the Critique of Political Economy*, Progress Publishers, Moscow.

Weber, Max 1930: *The Protestant Ethic and the Spirit of Capitalism*, Allen and Unwin, London

Durkheim, E. 1964: *The Division of Labour in Society*, Free Press, Glencoe.

13.11 KEY WORDS

- Bonded** : When a labour becomes bound for a long period to a moneylender because the former owes money to the latter. He works on his land etc.; to pay back the debt.
- Capitalism** : The economic system, which tries to maximise profits from the production process.
- Predestination** : The doctrine that God in consequence of his foreknowledge of all events infallibly guides those who are destined for salvation.
- Technological Development** : The capital intensive method of production which uses a very high proportion of machinery relative to that of labour.

13.12 MODEL ANSWERS TO CHECK YOUR PROGRESS

Check Your Progress 1

- 1) Production is a socially defined activity. It is the society that determines what is production and what is not production. The value of the objects produced is socially determined. The object which is socially valuable is called a product. A product has value in use and value in exchange.
- 2) Services and production are intimately related. Earlier it was considered by people, especially like Adam Smith, that production is creation of goods only. But now we recognise the immense contribution made by scientists, researchers, political planners, economists, etc., to the process of production in the modern society. Without the help of these services the production process will soon decline.
- 3) Women's contribution in the production process is ignored by the scientists and statisticians. They work in the domestic sphere in a variety of ways, like cooking, cleaning, helping the men folk in agriculture, looking after children and so on. But inspite of their immense contribution they are treated as dependants and their services are underrated.

Check Your Progress 2

- 1) Karl Marx described the changes that occurred in society in terms of 'material forces of production' and relations of production. By material forces of production' he meant the technology, capital etc. The technological advances that have occurred in human history such as invention of steam engines, printing press, etc., show that technology keeps changing and advancing according to the needs of society.
- 2) Weber tried to discover the origin and development of capitalism in Europe. In spite of their advanced civilisations, capitalism did not develop in India or China, but in En-

gland. He traced the origin of capitalism to the widespread ideas and beliefs that prevailed among the people who belonged to a certain sect of Protestant Christianity. These Protestants believed in the notion of predestination of being God's chosen people, in the concept of calling, etc. These values helped in the origin and development of capitalism.

Check Your Progress 3

- 1) Division of labour refers to the way in which society gets divided into components, or segments with each component performing a special task.
- 2) Mechanical solidarity, present in traditional pre-industrial societies, refers to the division of society into segments which are similar in organisation and function. Removal of one segment does not affect the total society. But organic solidarity, present in complex industrial societies, is one where each component of society performs a specialised task thereby, leading to the existence of the total society.