

1. Details of Module and its structure

Module Detail	
Subject Name	Sociology
Course Name	Sociology 03 (Class XII, Semester - 1)
Module Name/Title	Market as a Social – Part 2
Module Id	lesy_10402
Pre-requisites	Concept of market as a social
Objectives	After going through this lesson, the learners will be able to understand the following: <ul style="list-style-type: none">• Emergence of classes• Understanding capitalism• Commodification• Consumption pattern & status symbol
Keywords	Capitalism, Karl Marx, Commodity, Class, Struggle, Conflict, Surplus, Alienation

2. Development Team

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Emergence of classes

Karl Marx was a proponent of class struggle. He argued that people who occupy the same position in the social production process will eventually form a class. By virtue of their location in the production process and in property relations, they share the same interests and objective, even though they may not recognise this immediately.

Classes are thus formed historical processes, which in turn are shaped by transformations in the conditions and forces of production, and consequent conflicts between existing classes.

In the Communist Manifesto, Marx and Engels presented their views in a clear manner, ‘The history of all hitherto existing societies is the history of class struggle.’

As society evolved from the primitive to the modern through distinct phases, each was characterised by particular kinds of conflicts between the oppressor and oppressed classes.

He believed that scientific socialism would achieve the goal of ending this oppression and exploitation. To that end he engaged in a critical analysis of capitalist society to expose its downfall. Capitalism is a stage in Marx’s conception of the stage of society-Primitive Communism, Slavery, Feudalism, and Capitalism.

Understanding capitalism

In order to understand the working of capitalism, Marx undertook an elaborate study of its political, economic and social aspects.

- Marx’s conception of the economy was based on the notion of a **mode of production**, which stood for a broad system of production associated with an epoch or historical period. Primitive communism, slavery, feudalism and capitalism were all modes of production.
- At this general level, the mode of production defines an entire way of life characteristic of an era. At a more specific level, we can think of the mode of production as being something like a building in the sense that it consists of a foundation or base, and a superstructure or something erected on top of the base.
- The **base** — or economic base — is primarily economic and includes the productive forces and production relations. Productive forces refer to all the means or factors of production such as land, labour, technology, sources of energy (such as electricity, coal, petroleum and so on). **Production relations** refer to all the economic

relationships and forms of labour organisation which are involved in production. Production relations are also property relations, or relationships based on the ownership or control of the means of production. For example, in the mode of production called primitive communism, the productive forces consisted mostly of nature — forests, land, animals and so on — along with very rudimentary forms of technology like simple stone tools and hunting weapons. Production relations were based on community property (since individual private property did not yet exist) and included tribal forms of hunting or gathering which were the prevalent forms of labour organisation. The economic base thus consisted of productive forces and relations of production.

- On this base rested all the social, cultural and political institutions of society. Thus, institutions like religion, art, law, literature or different forms of beliefs and ideas were all part of the '**superstructure**' which was built on top of the base. Marx argued that people's ideas and beliefs originated from the economic system of which they were part. How human beings earned their livelihood determined how they thought — material life shaped ideas, ideas did not shape material life.
- This argument went against the dominant ways of thinking in Marx's time, when it was common to argue that human beings were free to think whatever they wanted and that ideas shaped the world.
- Marx placed great emphasis on economic structures and processes because he believed that they formed the foundations of every social system throughout human history. If we understand how the economy works and how it has been changing in the past, he argued, we can learn how to change society in the future. But how can such change be brought about? Marx's answer: through **class struggle**.
- Marx understood capitalism as a system of **commodity production**, or production for the market, through the use of **wage labour**.
- The capitalist class is able to profit from this system by paying the workers less than the value of what they actually produce, and so extracting surplus value from their labour.
- Capitalist society was marked by an ever intensifying process of **alienation** operating at several levels.
 - I. First, modern capitalist society is one where humans are more alienated from nature than ever before;

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- II. second, human beings are alienated from each other as capitalism individualises previously collective forms of social organisation, and as relationships get more and more market-mediated.
 - III. Third, the large mass of working people is alienated from the fruits of its labour because workers do not own the products they produce. Moreover, workers have no control over the work process itself — unlike in the days when skilled craftsmen controlled their own labour, today the content of the factory worker's working day is decided by the management.
 - IV. Finally, as the combined result of all these alienations, human beings are also alienated from themselves and struggle to make their lives meaningful in a system where they are both more free but also more alienated and less in control of their lives than before.

However, even though it was an exploitative and oppressive system, **Marx believed that capitalism was nevertheless a necessary and progressive stage of human history because it created the preconditions for an egalitarian future free from both exploitation and poverty.** Capitalist society would be transformed by its victims, i.e. the working class, who would unite to collectively bring about a revolution to overthrow it and establish a free and equal socialist society.

Commodity

Commodities are objects that satisfy human needs and wants. Commodities are the fundamental units of capitalism, a form of economy based on the intense accumulation of such objects. The basic criterion for assessing a commodity's value is its essential usefulness, what it does in the way of satisfying need and wants. This usefulness is its use-value, a property intrinsic to the commodity.

Commodification

Commodification occurs when things that were earlier not traded in the market become commodities. For instance, **labour or skills become things** that can be bought and sold. According to Marx and other critics of capitalism, the process of commodification has negative social effects. The commodification of labour is one example, but there are many

other examples in contemporary society. For instance, there is a controversy about the sale of **kidneys by the poor** to cater to rich patients who need kidney transplants. According to many people, human organs should not become commodities. In earlier times, human beings themselves were bought and sold as slaves, but today it is considered immoral to treat people as commodities. But in modern society, almost everyone accepts the idea that a person's labour can be bought, or that other services or skills can be provided in exchange for money. This is a situation that is found only in capitalist societies, according to Marx. In contemporary India, we can observe that **things or processes that earlier were not part of market exchange become commodified**. For example, traditionally, marriages were arranged by families, but now there are professional marriage bureaus and websites that help people to find brides and grooms for a fee. Another example are the many private institutes that offer courses in 'personality development', spoken English, and so on, that teach students (mostly middle class youth) the cultural and social skills required to succeed in the contemporary world. In earlier times, social skills such as good manners and etiquette were imparted mainly through the family. Or we could think of the burgeoning of privately owned schools and colleges and coaching classes as a process of commodification of education.

Commodity Fetishism

MARX TURNS TO **FETISHISM** to make sense of the apparently magical quality of the commodity: "A commodity appears at first sight an extremely obvious, trivial thing. But its analysis brings out that it is a very strange thing, abounding in metaphysical subtleties and theological niceties" (163). Fetishism in anthropology refers to the primitive belief that godly powers can inhere in inanimate things (e.g., in totems). Marx borrows this concept to make sense of what he terms "commodity fetishism." As Marx explains, the commodity remains simple as long as it is tied to its use-value. When a piece of wood is turned into a table through human labor, its use value is clear and, as product, the table remains tied to its material use. However, as soon as the table "emerges as a commodity, it changes into a thing which transcends sensuousness" (163). The connection to the actual hands of the laborer is severed as soon as the table is connected to money as the universal equivalent for exchange. People in a capitalist society thus begin to treat commodities as if value is inhered in the objects themselves, rather than in the amount of real labor expended to produce the object. As Marx explains, "The mysterious character of the commodity - form consists therefore simply

in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things" (164-65). What is, in fact, a social relation between people (between capitalists and exploited laborers) instead assumes "the fantastic form of a relation between things" (165).

This effect is caused by the fact that, in a capitalist society, the real producers of commodities remain largely invisible. We only approach their products "through the relations which the act of exchange establishes between the products" (165). We access the products of the proletariat through the exchange of money with those institutions that glean profit from the labor of the proletariat. Since we only ever relate to those products through the exchange of money, we forget the "secret hidden under the apparent movements in the relative values of commodities" (168); that is labor: "It is... precisely this finished form of the world of commodities—the money form—which conceals the social character of private labour and the social relations between the individual workers, by making those relations appear as relations between material objects, instead of revealing them plainly" (168-69). In capitalist society, gold and then paper money become "the direct incarnation of all human labor" (187), much as in primitive societies the totem becomes the direct incarnation of godhead. Through this process, "Men are henceforth related to each other in their social process of production in a purely atomistic way; they become alienated because their own relations of production assume a material shape which is independent of their control and their conscious individual action" (187). Although value ultimately accrues because of human labor, people in a capitalist system are led to believe that they are not in control of the market forces that appear to exist independently of any individual person.

Consumption

Consumption involves a broad slice of human activity. It is concerned with all phases of the using up of goods and services in living. Consumption is not entirely an individual matter but has important social aspects. For example, much of what we consume is the result of the consumption of others. We often imitate others because we may not know what to consume or because we wish to avoid being conspicuous through the omission of certain articles in our consumption. In modern societies, consumption is an important way in which social distinctions are created and communicated. The consumer conveys a message about his or her

socioeconomic status or cultural preferences by buying and displaying certain goods, and companies try to sell their goods by appealing to symbols of status or culture. Think of the advertisements that we see every day on television and roadside hoardings, and the meanings that advertisers try to attach to consumer goods in order to sell them.

Status Symbol

Yet Weber's theory of stratification differs from that of Marx in that he introduced an additional structural category, that of "**status group**."

Classification of men into such groups is **based on their consumption patterns** rather than on their place in the market or in the process of production. Status groups are normally communities, which are held together by notions of proper life-styles and by the social esteem and honor accorded to them by others. Linked with this are expectations of restrictions on social intercourse with those not belonging to the circle and assumed social distance toward inferiors. In this typology we again find Weber's sociological notion of a social category as dependent on the definition that others give to social relationships. A status group can exist only to the extent that others accord its members prestige or degrading, which removes them from the rest of social actors and establishes the necessary social distance between "them" and "us."

In Weber's view every society is divided into groupings and strata with distinctive life-styles and views of the world, just as it is divided into distinctive classes. While at times status as well as class groupings may conflict, at others their members may accept fairly stable patterns of subordination and superordination.

With this twofold classification of social stratification, Weber lays the groundwork for an understanding of pluralistic forms of social conflict in modern society and helps to explain why only in rare cases are such societies polarized into the opposing camps of the "haves" and the "have-nots." He has done much to explain why Marx's exclusively class-centered scheme failed to predict correctly the shape of things to come in modern pluralistic societies.

From Coser, 1977:228-230.

He coined the term status symbol to describe this relationship. For example, among the middle class in India today, the brand of cell phone or the model of car that one owns are important markers of socio-economic status. Weber also wrote about how classes and status groups are differentiated on the basis of their lifestyles. Consumption is one aspect of lifestyle, but it also includes the way you decorate your home and the way you dress, your leisure activities, and many other aspects of daily life. Sociologists study consumption patterns and lifestyles because of their cultural and social significance in modern life.

Weber on Capitalism

Weber speaks of a special kind of capitalism, namely, 'rational capitalism'. Rational capitalism, according to him, is a uniquely western development (by the west we refer to West Europe and North America). This is because the idea of rationality and the process of rationalisation too are distinctively western.

Rationalisation means an attempt by humans to control the environment by organising and coordinating human activities in a certain regular and predictable manner. Events are not left to chance or to nature. Human beings have gained such a degree of understanding about the world around them that nature is no longer regarded as 'mysterious' or 'incalculable'. Through the use of science and technology, written rules and laws, human activity is systematised. Let us take an example from our day-to-day life. There is a vacancy in an office. One manner of filling the vacancy would be to appoint one's friend or relative. But this is not 'rational' in the Weberian sense. Another way would be to advertise in the newspapers, hold a competitive examination and an interview and select the candidate with the best result. In this method, certain rules and codes have been applied. A certain regularisation, which the first method did not have, has been introduced. Weber would call this an example of rationalisation.

Modern or rational capitalism is not restricted to the production and sale of just a few luxurious or rare commodities. It includes everything; all the ordinary goods in everyday use from bread to cloth to utensils and tools. Unlike traditional capitalism, rational capitalism is dynamic and constantly expanding. New innovations, new methods of production and new products are constantly being invented. Rational capitalism depends on mass production and

distribution. Goods must be exchanged in a predictable and repeatable way. Business is no longer seen as a gamble. The modern capitalist does not sell a few products to a few people at a high cost. The idea is to have plenty of customers buying plenty of goods which all can afford. Rational capitalism aims at making all goods marketable. It involves mass production and distribution. Business becomes methodical and regular. Thus, the basic principle underlying modern capitalism, according to Weber, is the rational organisation of productive enterprises, which supply society with its everyday wants.

Thus, in this module we discussed the concept of capitalism from the point of view of Karl Marx and Max Weber. Capitalism entails exploitation and leads to an eventual class struggle as per Marx. He states that the basic principle of capitalism is profit motive which is earned by not paying for the surplus value earned through surplus production. Capitalism involves alienation at multiple levels to achieve this profit. He also states that mass production leads to conversion of all objects into commodities. Also, the consumption patterns of these commodities stratify people; status symbol is used to classify people into particular classes.