In all class societies, by definition, one or more classes carry out surplus labour, thereby creating surplus product which is appropriated by the dominant class or classes. However, what is distinctive about capitalism is that this process is organised in autonomous units, while overall order in the economy results from the mutual relations between these units rather than central external authority. Units can only survive in such an environment if accumulation is their major priority. Capitalist society requires that there be differentiated role complexes for control and coordinated labour, complexes that we have identified in Chapter Five as the global function of capital and the collective worker. (We shall further develop this point in Chapter Nine.) This differentiation ensures that each unit can respond to system pressures, whilst hindrance from labour is kept within fairly narrow confines. The classic exemplification of this model is the free market society, where entrepreneurs are compelled to direct their employees towards goals determined by market relations, creation and appropriation of surplus value and its conversion into capital. As we have seen, the situation is significantly modified by the concentration of capital, and the increasingly important role played by the state in the restructuring of capital (which is partially achieved through state ownership) and the regulation of the market; however the effect of these changes is not to erode competitive relations as such but to transform them into new patterns of rivalry, military and
political as well as economic, involving states and giant corporations at the international level. While there is a more complex division of labour, we can still distinguish the functions of collective worker and global capitalist.

In this chapter we shall argue that this definition of capitalism applies to the East as well as the West, and that the class structure of those societies can be understood in these terms. Just like any other capital, state capitals in the East are constrained by the international environment and, as in the West, there is a disjunction between coordinated labour and control. It is true, as many observers have pointed out, that market relations within some of the Eastern societies are very different from those in Western societies, but we would argue that once due account is taken of the international context the relations of production can be seen to be basically the same.

In Weberian analysis, as we have pointed out in Chapters Two and Three, the existence of classes hinges upon whether or not there is a stable pattern of inequalities sustained by market mechanisms; failure to identify such stability and mechanisms, or explaining patterns of inequality by reference to non-economic factors such as political decisions, then warrants rejection of the view that they are class societies. On the contrary we would argue that the appropriate criterion for class-divided societies is not the presence or absence of inequalities sustained through a market, but whether or not there are fundamental differences in relations to the means of production – although of course we do recognise that patterns of inequality may flow from class divisions and indeed help to sustain them. (This point will be extensively discussed in Chapter Eight.) In this chapter we argue that all the Eastern societies are, by this criterion, class-divided societies, in fact capitalist societies. Certainly this argument demands clarification of what differences in relations to the means of production should properly be regarded as ‘fundamental’.

In discussing the Eastern countries together we would certainly not wish to deny that there are substantial differences between them any more than we would make the absurd claim that, for example, France, Spain and the United States